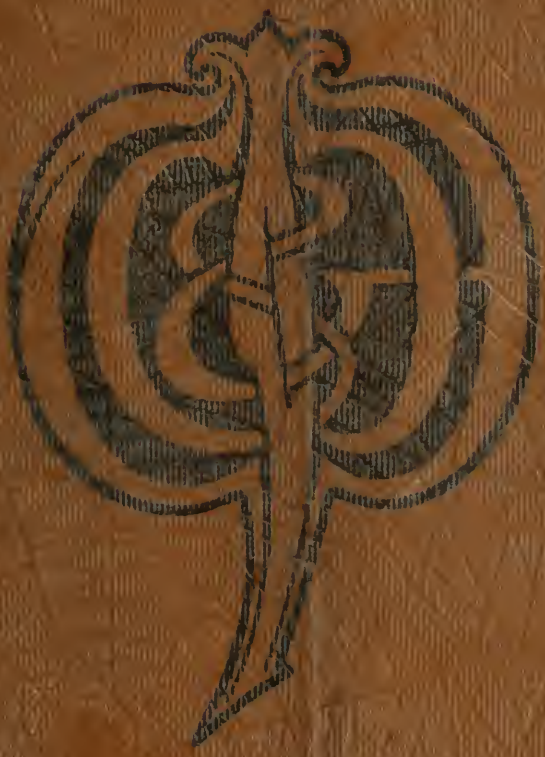
SOCIAL PROBLEMS SERIES

SOCIALISM

BY

J. RAMSAY MACDONALD, M.P.



No. VII. ONE SHILLING NET

PUBLISHED BY T. C. & E. C. JACK
LONDON AND EDINBURGH

Har
AC
901
.A1
no.6116

J. F. C. Hamm

The Social Problems Series

EDITED BY

OLIPHANT SMEATON, M.A., F.S.A.

SOCIALISM

The Social Problems Series

SOCIALISM

BY

J. RAMSAY MACDONALD, M.P.

LONDON: T. C. & E. C. JACK
16 HENRIETTA STREET, W.C.
AND EDINBURGH
1907

CONTENTS

× J. F. Bray (Leeds) p. 48.

× author of "Labour's Wrongs & Labour's Remedy" published at Leeds, 1839.

SOCIALISM

CHAPTER I

THE MAN AND THE SYSTEM

To the ordinary man, not of the street but of the suburb, Socialism covers a multitude of sins. He does not understand what Socialism means—and probably does not want to understand. It occupies in the vocabulary of his intelligence a place with those abracadabra and mystic pass words which, when uttered, raise the seven devils. It is nothing but waste of time to explain new ideas to such people. They are the despair of everyone who tries to bring commonsense into politics, and the victims of those who appeal to popular ignorance and fear.

Socialism and Social Change

But there are others to whom our existing social relationships are an unhappy puzzle, who are not

convinced that the distribution of riches in the State is fair, or that either wealth or poverty is any indication of merit or demerit. Moreover, from the distressing nature of our social problems, these people take an intellectual interest in the present as the transition from the past to the future. At no given moment is society to them a rigid organisation. It came from one form: it is passing to another form. This is particularly so in industrial organisation. Within the memory of a still virile man, the Limited Liability Company has arisen; within the memory of most, the Trust has been born; and the fundamental and revolutionary change which these events imply in the relations between employer and employed, of capital and labour, in the way in which capital is to be used, and in the considerations which act as restraints upon the too excessive subordination of the human creature to the invested capital, has been seen in its beginnings by this generation. As the organisation of capital has proceeded in an increasingly large scale, and as the relationship between employer and employed has become, in consequence, more impersonal, more economic and less human, the State, as such, has passed a series of laws asserting its right to protect the weak and to adjust the admitted inequality established by modern capitalism between employers and employed.

Minds aware of this constant readjustment of industrial functions and of the growing invasion of the modern workshop by law, regard with impatience and contempt the attempts made to present Socialism as the gospel of the envious, the wastrel, the scoundrel. The Socialist doctrine systematises these industrial changes. It lays down a law of capitalist evolution. It describes the natural history of society. It is not, therefore, only a popular creed for the market-place but a scientific inquiry for the study. Like every theory in Sociology it has a political bearing, but it can be studied as much detached from politics as is Darwinism.

Socialism is a theory of social organisation, which reconciles the individual to society. It has discovered how the individual in society can attain to a state of complete development. For the foundation of such a theory one of three assumptions must be made. We may assume that a moral relationship can be established between individuals, as the Comtists and some of the anarchists do, and that this will counterbalance the advantages which a superior economic position gives to some men to exploit others unjustly. This, however, gives no guarantee of stability. The son is not as the father was. Or we may assume, as the Individualists do, that economic advantages always tend to pass out of unworthy hands—a pleasure-loving son dissipates

the fortune inherited from a hard-working father—so that, on the whole, a state of unregulated competition for economic power allows the maximum expression of individual liberty. This is the present system. Or we may assume that economic sovereignty cannot be safely given to individuals but should belong to society organised, so that by a system of co-operative industrial effort the individual may be freed from the possibility of economic slavery, and may share in the benefits which increasing economic advantage brings.

This last is the Socialist view. We have to experiment with intricate relationships between capital, land, and labour; between the interests of those who possess and of those who can only use by permission; between those who live by work day by day and those who live from incomes drawn from profits; and the end at which we aim is such a relationship between the industrial community of men and the tools and the raw material which they use as will completely subordinate production to human well-being. The existence of the slum and the waste field side by side; of the unemployed bootmaker without a decent pair of shoes on his feet and yet unable to translate his natural need for shoes into an economic demand for his own labour as a shoemaker; of dilapidated rural houses and an intense depression in the building trade; prove as

conclusively, it seems to me, that our industrial mechanism is out of gear, as a full cistern but a dry tap proves that there is an obstruction somewhere in the pipe. How to make natural need — the shoeless carpenter—the occasion of work for the furnitureless shoemaker — is the problem which Socialists believe they can solve, and the system by which they would solve it is Socialism.

The Human Sacrifice

Most people are unwilling to admit that the grand effect of modern industry has been to subordinate moral and human riches to material gains; but it is true nevertheless.

In a senseless and mechanical way, we reel off our tongues truisms about the responsibilities of property. We mean nothing by these truisms, and they only darken our vision. It is not the responsibility of property which we need to emphasise, but the subordination of property to human ends. To-day we have people driven off the land. We regret it, but the land being private property we do not see our way to stop the sacrifice of State and human interests incurred by the use to which private owners put land. We have periods of overwork alternating with periods of unemployment, but industrial capital being held by private individuals "who are not in business for philanthropic reasons,"

we regret the circumstances but do not see how we can alter them. We have low paid women's labour being substituted for more highly paid men's labour, and children's labour taking the place of women's; we have heads of families no longer able to secure wages high enough to be a family income; we have children offered the inducement of comparatively high wages for temporary unskilled work which is to doom them to be casuals for ever on the industrial market—we admit with much regret the evil, but commerce must be carried on, competition is severe, and, though we do not like to say so to the world, we whisper up our sleeves that men must be sacrificed to trade. No employer employs a man because he happens to have married a wife and is anxious to do his duty as a husband by her, because he is a citizen and wants the leisure necessary to prepare himself to exercise the franchise intelligently, because he has a soul and needs relief from the worry of bread-and-butter problems in order to prepare himself for heaven. A man is employed because his employer can make a paying percentage on his labour. There are a few exceptions, but that is the rule of commercialism, and the poor employer who breaks the rule breaks himself.

There is a mechanism of commerce. It has no soul and no sentiment. It is economic only. It is built up upon the exchange of commodities. It

relates to demand and supply on markets. Theoretically our economists tell us—and tell us truly—the shoemaker makes shoes in order that he may exchange them for a table which the carpenter is making, and for coal which the miner is blasting. But this exchange is carried on by a system of transfers, at every point of which there is a group of personal controlling interests which play their part in exchange only if they can make profit, and the exchange between the original producers is only effected if the whole system is in working order, *e.g.*, makes profit at every point. The simplicity of exchange does not exist. Human interests are subject to the necessities of the commercialist system.

Living as we do in the midst of this system, moving and having our being in it, it is difficult to think of any other order. So unfamiliar to us is anything new that we are completely tripped up by considerations of how wages could be paid, foremen appointed, and roads scraped under any other social organisation but that of which we are now part. It is almost impossible for us to settle down to the thought that society grows, that the relations of its functions change, that age slips into age not by mechanical but by organic methods, that we make beginnings here and there, that small experiments proclaim great principles, and that limited experiences

show the way to epochal changes. Such a frame of mind comes only after much thought. Meanwhile we are unshakeable in our belief that however little we may like it, humanity *must* be subordinated to our system of profit-making.

The Human Struggle

No *must* was ever more rickety than this. Matter, property, economic systems have always been trying to dominate men, and men have always resisted. They have never fully succeeded in their resistance, but the fact that they have continued to carry it on, points to some state of society awaiting us in which man will dominate economic systems and other purely material things.

Hitherto social history has been the record of conditions under which the individual has been subordinated to social needs. The race and the community have been preserved, the individual has been sacrificed. Intensely dramatic as has been the struggle between individuals for existence, even more dramatic has been that between the community and the individual for a common life. Feudalism subordinated the villein to the social conditions necessary for the continued existence of a political community in the Middle Age; in times earlier than those a more absolute subordination—amounting to slavery—was the common condition of the ordinary

man, because the storm and stress then suffered by his community necessitated absolute subjection and unquestionable obedience. If in still earlier times, as tradition has it, a golden age of liberty existed, the necessities of social evolution destroyed it. It disappeared in a "dark unfathomable sea of cloud" —to emerge some day.

But in the times when obedience was most necessary the *I am I* of the human intelligence was an unwilling bondsman. The slaves and the villeins revolted; the labourers haggled over their hire. Moreover, if individuality in some of its aspects which we profess to cherish to-day was held upon a low valuation, certain primitive personal rights were generally recognised. Women and slaves, the beasts of burden occupying the lowest status in most primitive states, were as a rule protected by some more or less elementary code of custom or law; and the poor were saved from the direst consequences of poverty.

Our Bible makes us familiar with a method of protecting the poor from the exactions of those in a more advantageous economic position, which was a consciously definite acknowledgment that without such protection the possession of economic power would lead to enslavement. The Jubilee of the Israelites was instituted for the purpose of preventing the few in straitened circumstances from

being alienated for ever from the land, the source of their life, even when they had been compelled to part with it temporarily; and other laws and customs kept the usurer in his place, secured some measure of equity for the labourer, regulated the transfer of house property; and, generally, the people were exhorted and compelled to show by their social actions that they remembered the days when they were bondsmen in Egypt, "to the end that there be no poor amongst you."[1] The days came when Israel forgot the bondage of Egypt, when house was added to house and field to field; but when the prophets rose to their grandest heights of vision or sunk to their lowest regions of despair, the Messianic days when a king was to rule righteously and when the widow and the orphan would be no more oppressed, made their joy thrill with lyrical welcomes and their lamentations moan with the sorrow of the sinful, exiled far from the land of righteous dealings and human relationships.

In the history of every community some such attempts as we see in the history of Israel have been made to protect the individual against the anti-social use of property held by a class.

What is the position of the individual under modern commercialism?

[1] Deut. xv. 4.

Modern Conditions

A man is not now dragged into a market to be bought and sold, he walks into the market and sells himself. He cannot live without labour, and the earth being private property and production of commodities being carried on under a system which can be worked only by the employment of much capital, he has no free access to the raw materials provided by nature upon which he has to expend his labour, and he cannot enter the ordinary produce markets because they are organised in such a way as to shut out the individual. The necessity is, therefore, imposed upon him of selling his power and ability as a worker to someone who is in a position to use it. He enters into a contract for service. The contract may range from a day to a period of years, but whilst he is working under it, he is as much bound to his employer as the peasant was who had to give labour to his overlord.

I am not urging the essential likeness in this respect between the workman of the twentieth century and the peasant of the twelfth in order to depreciate the position of the former. I am doing so only because I want to point out the absurdity of claiming, as some people do, that the wage-earner, as such, is now free. Society has become more

fluid in its class relationships, and that is an enormous gain to the individual, but the condition of the landless and the propertyless man to-day is still one which compels him to sell himself to another in order that he may command the physical necessities of life. A man will always have to do service in order to be able to command these necessities, and such service Socialists demand. But that which has to be given to-day is given under certain circumstances which make it impossible for Socialists to regard it as the final economic relationship between a man and his society.

What are these circumstances?

1. *Service to-day carries with it an inadequate payment.* John Stuart Mill pointed out that in his time reward was great as labour was little, and that reward was little as labour was arduous. Nothing more strikingly shows with how little critical intelligence we approach the common experiences of life than the assumption nearly always made that if we put an end to property-owning no one would be found to work. No one seeks to destroy property, but if he did he would use the existing state of things as an argument in his favour. Poverty rather than property is the reward of labour to-day. The great mass of the workers own no property—even their most successful

attempts to accumulate, such as Trade Union benefit funds and Co-operative Society deposits, are insignificant when divided out per head amongst those entitled to have them.

2. *The bargain between labour and capital stops at a point which shows that it is a contract which uses the needs of the one to add to the profits of the other.* One of the claims which the modern individualist makes with most assurance is that when a man leaves a factory he is free — when he has completed his toil under his contract, he is free. That is true only to a limited extent, as we shall see; but in so far as it is true it is only partly a gain. It means that the person or the class who has been benefiting by the labour of the other person or class, has managed to throw off many of its ancient obligations to the labourers. It has no responsibilities for them so soon as they cease to make profits. It can in busy and profitable years accumulate vast possessions off their labours; so soon as trade slackens it brings its contracts to an end, and its workers have no claims for further consideration. The labourer is no longer a charge upon property in seasons of scarcity. The possessor gets his labour without incurring any responsibility beyond that of paying the wages stipulated in the bond. The free labourer is thus much more a means of serving other people's ends than he was when he

was a bondsman. The movements now on foot to make the rich districts aid the poorer ones in matters of rating, to establish Old Age Pensions from the National Income, to ease the pressure of unemployment upon the industrial classes, are all attempts to get the community to assume responsibilities which are complementary to the labour contracts of our modern "free" society; and the demand that these obligations should be met by taxes upon property can be defended ultimately only upon the ground that we are exacting from the class which benefits from the contracts the obligations which it eludes in "free" society, but which it had to bear in more primitive times and under conditions of chattel slavery.

3. *The contracts nominally economic and industrial only, influence thought and conduct.* The slave was not allowed to act contrary to the interests of his master; the free workman who is a heretic in respect to any accepted thought or action is victimised. Putting the most sympathetic explanation upon this, the employer can plead that the opinions and actions of the men are elements in their industrial value to him. This in some cases is perfectly true, but it only proves that the conditions which imposed limits on the action of bondsmen still exist. The Trade Unionist, the anti-vaccinator, the chapel-goer, the Radical, the

Socialist are marked for destruction; free thought and free expression of opinion are suppressed.

4. *The contracts tend more and more to absorb the whole active life of the labourers; that active life tends to become concentrated within the years of youth; a ripening skill tends to become of less value, and industrial old age comes sooner and is more and more a state of chronic unemployment.* The English peasant was free from this; slavery was very often free from it. The speeding up of machinery and the increase in the rapidity of work compel the labourer to give more and more of himself in the service for which he receives wages; the liberties which he theoretically enjoys when he is not in the factory or at the bench, become, in consequence, of diminishing value and reality; the absence of the slave's claim upon his master for shelter becomes a greater and more pressing grievance. His *life* is spent in servitude.

And in this stunning whirl the capitalist is equally involved. He, too, is the slave of his system, as the steady increase of insanity and minor nervous disorders shows.

Against such servitude man is still in revolt. These are not the conditions of liberty. Service will always be required, but its reward should be full and adequate, and not merely temporary and inadequate. The man who labours to maintain

his community will continue to ask as wages an adequate share in the life and property of his community. Possession in men was bound to decay, and equally so will possession in the fruits of other men's labour disappear. The one was an early chapter in the history of slavery, the other is a late chapter in the same story.

The following reasons may be assigned as the cause of the modern Socialist movement. The existence of poverty, unemployment, slums; an inability to see why the rich are rich particularly when they are idle; the glaring effects of landlordism; the anti-social results of capitalism at its worst, *e.g.*, sweating, Penrhynism, etc.; the systematisation of certain modern tendencies like municipalisation, industrial laws, etc.; the consciousness of Trade Unionism that it cannot advance the interest of the worker much farther upon present lines; the tendency to relate morals to conditions of life; the reaction against Manchesterism and the worship of the vulgar and uncultivated wealthy; the increased interest taken in historical and sociological science, and the neo-Darwinism which emphasises mutual aid as well as competition as a factor in human progress; the rationality of the Socialist proposals; the effect of the evolution of industrial organisation upon the human intelligence; the lack of philosophical principle in the aims of other political parties.

CHAPTER II

THE SOCIALIST MOVEMENT

Industrial Evolution

The Socialist traces in the history of labour a steady consistent impulse. Primitive organisation was personal and local. Its economics were those of a people who consumed their own products. But as the bounds of the family and the tribe widened, as means of communication were established and exchange of commodities created a system of commerce, two things happened. The community became subdivided into workers and merchants or traders, and the class of workers was subdivided into specialised trades. At first this industrial organisation was subordinated to military necessities. The workman was to all intents and purposes the property of his military superior. This, in the abstract, was the spirit of the Middle Age—particularly of the early Middle Age. But the industrial organisation and needs of the community asserted themselves. They grew lustily, obedient to the

laws of their own being. They came into conflict with the military organisation. They imposed a new necessity upon the State. The social organisation of Feudalism ceased to be able to express the life of the community. Trade routes were established. South and west the sea rovers went. The Indies were found out; America was discovered.

Here was a new world. Every sea and shore cried out to the West to come and exploit it. Pirates became national heroes. The individual rose up in his rank primitive majesty and literally became a law unto himself. The rules of guilds and the restrictions of ancient municipalities then also ceased to fit the new developments of trade and became hampering restrictions which the newer formed centres of industry would not countenance. The life of the new era refused to obey the rule of the old, and men began to believe that anarchy was the law of nature.

The end of the Middle Age came with the rise of capitalist industry, the industrial predominance of the towns, and the beginning of the factory system. It went down into the past in the midst of a bright glare of democratic hope. There was heresy in the Church; there were visions of a new earth in the minds of men; there was revolution in the State. The new age was to be one of rare triumph for the common people. True, a new and threaten-

ing kind of poverty was spreading like a foul canker throughout Europe. The ancient aristocracy were becoming commercially minded, agriculture was beginning to be carried on on business principles, commons were enclosed, the ancient peasant rights to the use of the soil were being denied, the heroes of the wars were tramping on every road and begging in every shire. These, however, were but incentives to the democratic evangelists. Utopias, theocracies, democracies were dreamt of, and the French and American Revolutions appeared as angels in the air summoning the chosen ones of the people to smite the Canaanite and enter into possession of his lands. In these times, the roots of the modern Socialist movement are embedded.

It sprung into being almost simultaneously in England and France, and was an offshoot of the Radical movements which passed over these countries in the last quarter of the eighteenth century.

France

In the bosom of France lay the terrible diseases from which sprung the French Revolution, and which worked themselves out on the Place de la Concorde. But until the wars of the Empire had ended, France had no time to consider what had really been the effect of her Revolution. Personal liberty had been greatly amplified, but the economic positions of

authority from which the aristocracy and the clergy had been evicted had fallen into the hands of the middle classes. By the beginning of the nineteenth century factory industry on a modern scale had fairly begun in France, and the town workmen suffering from the immigration from the country and from those economic tendencies, which were then almost unbridled, to reduce wages to a bare subsistence level, commenced to think politically in terms of class conflict. Rousseau, Mirabeau, Condorcet, Mably had taught the people to hold property, as it was then known, in light esteem. "I know of only three ways to exist in society," said Mirabeau in 1789; "one can be a beggar, a thief, a worker. . . . The property owners are but the agents, the economists of the body social." "To each his field" was a shibboleth of the Jacobins. The economic conditions of France gave rise on one hand to the physiocratic school of economists—the school which gave the world the watchword of unscientific individualism, *Laissez faire, laissez passer*; and, on the other hand, it gave birth to a Socialist school of thinkers who laid down some of the most important foundation-stones of the Socialist fabric of thought. Commercialist individualism and Socialist proletarianism sprang into existence simultaneously.

Saint-Simon (1760–1825)

The sociological and economic speculations blended with a generous humanitarianism, which marked the intellectual revival of France after the exhaustion of the Napoleonic wars had worn off, focused themselves first of all in Claude-Henri de Rouvroy, Count de Saint-Simon, a scion of a noble house devoted to absolute government, a volunteer with La Fayette to the War of American Independence, a rare soul who, largely under the influence of that queer customer, Benjamin Franklin, came to understand that civil life and the workman were quite as honourable as the military calling and the soldier. Made a prisoner by the British, he was sent to Jamaica, where he spent his time speculating upon such questions as how to make a canal through Central America. Natural Science was still in its infancy. Imagination and enthusiasm were its companions, and a fellowship of worthy but pottering investigators and speculators were sponsors to the infant. Saint-Simon was one of these. Endowed with extraordinary prophetic foresight in some respects, and in others devoid of practical capacity, Saint-Simon passed from abstract Natural Science, and, in 1817, appeared his first volume on social matters entitled *l'Industrie*, its sub-title being — *Political, Moral, and Philo-*

sophical Discussions in the Interest of all Free Men, and of useful and independent Work. He died on the 19th May 1825.

His system at its best and fullest development is moral, or, to use a more recently adopted phrase, it is "economic chivalry." "Men ought to conduct themselves as brothers one to another." He translates the formula of Benthamism into terms of his own creed thus: "Men ought to place before themselves as the purpose of their work and actions, the most prompt and complete possible amelioration of the moral and physical existence of the most numerous class." The Revolution has come far short of doing this. The middle class has reaped all its benefits. This class has been content to establish the English Parliamentary system in order to exploit twenty-four twenty-fifths of the nation. The industrial nation should be organised so as to secure for each member the maximum of comfort and well-being. In working out his scheme of reorganisation, he seeks to base it on the intellectual and moral elements in the State. His system does not rest upon its own foundation; his machine does not work by its own mechanism. A good will and a pure motive in certain classes are essential to the success of Saint-Simonism. A council of scientists, thinkers, artists, industrials is to be the active functioning authority in Saint-Simon's Utopia, and

later on when the moral and philanthropic emotions of Saint-Simon take a more definite place in his intellectual scheme, his council undergoes a corresponding modification, and, at the same time, he somewhat surprisingly increases his trust in the State as the condition of industrial liberty, and restates his belief that the right to individual property is a matter of utility.

Saint-Simon was, therefore, not so much a Socialist as an originator of Socialist thought. He suggested systematic thinking rather than presented it himself. He held up an ideal of society which men approved; he proposed to create it by ways which men rejected, but in rejecting them they built up Socialism. Above all he taught men that the control of a system of property-owning was more vital to a people than the control of a legislative machine.

Saint-Simon's disciples carried on his work after his death, systematised his opinions and imparted propagandist force to them. Chief among these as Socialist pioneer was Bazard, the severe practical logician, who thought his way from the Is to the Is-to-be, unified and completed his master's creed, and took his stand upon political revolutionary Saint-Simonism, rather than upon the Saint-Simonism of vague moral phrasing and ecclesiastical tone. The law of association is developed by Bazard, and becomes a definite creed in the philosophy of history.

As slave, as serf, as proletariat, the worker has been exploited. Every stage is an advance upon the preceding one, and now comes the next stage when by association the workers are to exploit the globe. At present, under pressure of the necessity to do something in order to live, the workman has to submit to be exploited by employers, and the landlords exact rent to which they are not entitled. The social system by which that is done is perpetuated by the laws of inheritance. That all the instruments of production should be held by industrial associations of workers is the only remedy for this state of things, and Saint-Simonism thus drifts into Economic Socialism.

Fourier (1772–1837)

Charles Fourier, born in 1772, is another type of those times when science awoke men's curiosity, and enticed them to the fantastic. Fourier was destined by his parents to be a draper, but was devoted to musical harmony and mathematics of an occult kind. At an early age he was punished for telling the truth when a falsehood would have been commercially profitable, and a further experience in business led him to the belief that commercial art consisted in buying sixpence worth for threepence and in selling threepence worth for sixpence. A quaint, gentle, simple-minded character, he hoped to

cure all social evils by giving free play to the human passions. He was, therefore, essentially a Utopist and social architect. The phalanstery which he built up in his imagination as the perfect community, with its three square leagues of land, its three hundred families, its ingenious rules of economic housekeeping, its repulsive innovations, could not succeed in practice. But it was an attempt to show how co-operation and association in industry could succeed in abolishing poverty without the coercion of a central State, and without the collective property in the means of production which the Saint-Simonians had come to regard as essential. Fourierism was, indeed, anarchism in one aspect, individualistic co-operation, as developed by Godin, in another aspect, and municipal Socialism in yet another aspect. His system was one of co-operation in production and in the arrangements of life, but with individual rights always in the background to fall back upon should the community—the phalange —prove tyrannical or otherwise obnoxious.

Fourier's essential anarchism balanced the State authority of the Saint-Simon school, and his mechanical arrangements were at the opposite extreme from Saint-Simon's ecclesiastical moralities. Although Fourier's first published work appeared in 1805, his system received little notice until after the school of Saint-Simon had passed under a cloud.

Louis Blanc (1811–1882)

The Industrial Revolution proceeded apace in France, and the propertyless worker became a larger and larger class separated from the propertied land and capital owner by a widening gulf. Saint-Simonism and Fourierism were mainly intellectual in their appeals. They did not at first reach the working classes. But the democratic movement was at hand. France, after the régime of autocracy which followed the wars of the Empire, was governed from 1830 by a Liberal monarch. Free discussion was allowed. Political economy was moulded in scientific moulds. Reason knocked at the closed doors of religious tradition. Beranger, Victor Hugo, Balzac, George Sand brought romance into touch with the life of the common people. Cabet reverted to the ancient methods of building Utopias from dream stuff. Responsive to this outburst of life, Buchez tried to found a progressive Catholicism; Villeneuve-Bargemont and others advocated various modes of association based upon doctrines akin to Christian Socialism; but, above all, Louis Blanc established a connection between these social theories of equality and political action.

If anyone is entitled to be called the Father of modern Socialist methods, Louis Blanc has claims almost as good as any rival. He drew men's atten-

tion away from revolution: he felt that the Liberal epoch had made revolution unnecessary and therefore misleading. His two chief ideas were that under the stage of individualism, labour was disorganised; that there was unemployment and overproduction; and that the State should bring cosmos out of this chaos. In a sentence, his Socialism was a system under which the "Right to Work" could be recognised. He saw that fundamental social change was to be brought about by reform—not reform of the Liberal kind, but reform which meant the systematic approach by stages, each one of which led up to the next, to some well-defined end. Capital and the large workshop were accepted by him as necessary, but he argued that the State, and not a private individual, should be the capitalist—"the banker of the poor." He therefore devised his scheme of "social workshops" which were to be subsidised by the State and were gradually to take the place of individually owned workshops which competed with each other. He also claimed that his schemes could be worked more economically in every way than those of private capitalists, and that, therefore, they would become general by reason of their own merit.

When he became a member of the Provisional Government in 1848, he had an opportunity of subsidising some social workshops. Although in

time—one lasted for about thirty years—they were all closed, their large measure of success and their capacity to struggle against most adverse circumstances showed the practicability of the scheme. Unfortunately these experiments are almost forgotten, and people remember only the Paris National Workshops, which in no way tested Louis Blanc's proposals, and which were opposed by him as being started on wrong lines.[1]

Louis Blanc had the misfortune to arouse the enmity of the communist revolutionaries and the dogmatic school of collectivists, the revolutionary political impossibilists, who have added heroic chapters to the sad history of the collectivist movement, but who have done little to "make their dreams come true." Whilst lacking in force of will and definiteness of purpose, he could not face the attacks made upon him and use the splendid political opportunities which he had more than once. Driven into exile during reaction, blamed for not siding with the revolution of the 31st October, and again for taking no part in the rising of the 18th March, and sinking finally into impotence in the

[1] "It is perfectly clear that the *national workshops* were simply a travesty of the proposals of Louis Blanc established expressly to discredit them. . . . The history of the whole matter fully justifies the exclamation of Lassalle that 'lying is a European power.' It has been the subject of endless misrepresentation by writers who have taken no pains to verify the facts."—Kirkup's *History of Socialism*, 3rd ed., pp. 49–50.

National Assembly, he is held up as being a mere reformist politician. His opponents—some of them moved merely by personal dislike—who ought to have been his friends, drove him from the Left towards the Right in politics, and the Socialist movement continued to be an agitation rather than a transforming fermentation. Louis Blanc never entered into his inheritance.

Proudhon (1809–1865)

Finally, so far as this stage of the movement goes, came Proudhon, a kind of French Cobbett, an educated workman, a genius enlightened by flashes of wisdom which in their detached gleams were illuminating but intermittent. His political creed is a distrust of the State. The individual alone is sovereign ; his realm is himself only. But Proudhon is best known as the author of the economic dictum, "Property is robbery," by which he means that property which is accumulated by rents and profits, never having been worked for, ought not to be held. The exploitation of labour under existing economic circumstances is the central problem which he desires to solve. He rejects communism [1] on the ground that it is a system for the exploitation of the strong by

[1] Communism at that time was the name under which Socialism under its more modern form passed : *e.g.*, *The Communist Manifesto*—Socialism being then applied to the disorganised socialistic utopian proposals like Saint-Simonism.

the weak; he concludes that "possession" must remain, but that it should be recognised only as the reward for labour. The only organisation which, in his opinion, can secure this, is one of free associations of workpeople holding industrial capital, land, and the means of production. The doctrines of Proudhon, enunciated with such violence, amount, when pushed to their conclusion, to nothing more than autonomous self-help workshops and peasant proprietorship, operating to maintain equality by nothing more reliable than a spirit of mutualism.

These pioneers of the Socialist movement, in spite of their diverging opinions on many points, occupied to a great extent precisely the same ground. They agreed that individualism had broken down, that it had resulted in industrial chaos, that property was used for the exploitation of labour, that wage labourer was a phase of slavery not of liberty. They further agreed that the association of labour was the way to end the chaos, and that this association in some way or other should be the owner of the means of production. They hoped, as a whole, for the quickening of the spirit of morality, which would sharpen the desire of the people for equality and the sentiment of solidarity and fraternity. Living at a time when the political organisation of Europe had not been settled, political change through Parliamentary methods did not figure very prominently in

their proposals. The democratic State was only being formed, and they could not be expected to see that it was an essential part of their Socialist system. When they were not practically absolutists, like the Saint-Simonians, they were generally to be found in the camp of the Revolutionists. At this point, the dominating dogmas of Marxism appeared, and the International movement was established.

Great Britain

Whilst this first phase of the Socialist movement was being worked out in France, in Great Britain a movement on somewhat similar lines was evolving.

The Socialist movement in England [1] has a history quite as distinguished as it has in France. Robert Owen is generally regarded as its founder; but before Owen's time there was a considerable economic literature showing the groping of men's minds towards a Socialist system of production and exchange. In the seventeenth century, before the science of economics was divorced from the practice of politics, as it was in the eighteenth and nineteenth,[2] attempts

[1] This period of English Socialism is dealt with fully in Menger's *Right to the Whole Produce of Labour*, and particularly in the Introduction by Professor Foxwell to the English edition.

[2] The fact that the Free Trade doctrine was an application of the economic needs of manufacturers, certainly does not contradict this statement. The economic needs of a class influencing politics is totally different from a scientific economic relationship with politics, which was what seventeenth-century economic writers tried to maintain.

were made, as in Harrington's *Oceana*, to establish an essential relationship between wealth and power, and in consequence to plan a state on the firm economic basis of an equitable distribution of property. In England, political unrest and economic speculation about the ownership of wealth and its effect upon the community, went hand in hand.

Godwin (1756–1836)

Godwin published his humane thoughts and opinions after the fury of the Revolution had spent itself, and when reaction shadowed every respectable household in the land. He followed the light of pure reason. What men can dream, men can do. "Our only true felicity consists in the expansion of our intellectual powers, the knowledge of truth and the practice of virtue." But barring our way to the attainment of this true felicity is the present method of owning and holding property. Control of sufficient "means of consumption" is to Godwin an essential condition of human happiness. This one point in his creed distinguishes him from the group of reformers who surrounded him. Dr. Ogilvy, the Aberdeen professor of Latin, had preceded Godwin in pointing out the fatal consequences to the community of private ownership of land and its rent, but if Dr. Ogilvy was the precursor of Henry George, Godwin was the precursor of Karl Marx. Godwin

went to the root of things. English capitalism, unbridled by legislation, and unrestrained by any influence but the impetus of its own immediate requirements, had begun to make those inroads upon human felicity which mark the times when the Industrial Revolution was recreating industrial processes and changing our social relationships. From such conditions, Socialism was born. Godwin's insistence that society had ultimately to reconsider both the Economics and the Ethics of property-holding was the first attempt to comprehend and express the state which was to grow from the anarchy of capitalist production.

Charles Hall (1745?–1825?)

Next in the line of Socialist pioneers comes Charles Hall, a doctor whose contact with human misery made him turn his attention to constructive sociology. Hall's great distinction was that he saw how little difference political forms make in economic facts. Under the American Republic, without titles or nobility, he predicts that every economic problem which oppressed Europe would grow up. The distribution of wealth, determined primarily by the private ownership of the land, settles the amount of misery there is in "civilisation." "The labourer," observed Hall in his reply to Malthus, "produces eight times the amount which it is necessary for

him to consume, but he starves because those who produce nothing rob him of the fruits of seven-eighths of his labour." The spirit of these early Socialists was that of Rousseau. Vice and poverty are products of what they called "civilisation"—meaning by the term, an elaborate system of artificiality which on its economic side destroys the natural right of man to gain access to the land and consume his products. "Civilisation," wrote Paine in his *Agrarian Justice*, "has operated two ways, to make one part of society more affluent, and the other part more wretched, than could have been the lot of either in a natural state."

William Thompson (1783?–1833)

Then, we reach the summit of English Socialist theory prior to the modern movement. William Thompson, an Irish landlord of the county of Clare, was the first of the Socialists to apply the Ricardian formula, that all wealth is produced by labour, to social theory. His Socialism was an economic system, approaching anarchism in the voluntaryism of its politics. The combination of politics and economics, which characterises modern Socialism, could hardly have been anticipated even by such seers as those pioneers were, but Thompson saw that moral voluntaryism, as a guarantee that an industrial system would work justly, was too weak. The

economics of Ricardo displayed the problem of poverty in an exceedingly simple way. Wealth was created by labour but distributed in accordance with a system of ownership which secured to rent and profits a lion's share.

Patrick Colquhoun (1745–1820)

Patrick Colquhoun carried the logic of Ricardianism very far in his *Treatise on the Wealth, Power, and Resources of the British Empire*, published in 1814. In this study, Colquhoun published a "Map of Civil Society" which showed the distribution of wealth, and which drew in the most striking way the difference between producer and non-producer, between him who works much and possesses little and him who does no work and possesses much.

Thomas Hodgskin (1795?– ?)

This school of Socialist pioneers found its most popular champion in Thomas Hodgskin, a member of the staff of the *Morning Chronicle*, a friend of the Mill and Bentham group, and one of the most acute of the Socialist economists before Marx. His central contention was that capital was in a position to exact too large a share of the national product. "The exactions of the capitalist cause the poverty

of the labourer," is a corollary he approvingly draws from Ricardian economics.

A crowd of minor agitators, pamphleteers, politicians—amongst whom Thomas Spence deserves mention—kept the ferment working, until the time was ripe for a comprehensive and scientific analysis and treatment of the problem.

On all these pioneers the same criticism can be passed. Their criticism was admirable; the logic of their analysis was accurate. But they failed in their constructive proposals. Bray, who came nearer to the modern Socialist conception than any of them, when he proposed the organisation of the workers by trades into great co-operative companies, still labours under the difficulties of a time when the State as a great co-operative concern had not as yet been discovered. Economic analysis and criticism had gone as far as they could in preparing the complete Socialist theory; they had to end with some futile proposal to moralise society, or to found voluntary communities, or to recast the medium of exchange. Socialist theory could not then be dissociated from anarchist practice.

Robert Owen (1771–1858)

At the threshold of the nineteenth century these theories and theorisings suddenly found a powerful expression in the experiments of Robert Owen.

Working, first of all, as a philanthropist who cared for his employees, he proved that by nurturing the best that is in human nature, you produce improved types. His New Lanark acquired world fame. But, by and by, fundamental questions of the relationships between capitalism and the worker were forced upon him by the extreme poverty which followed the closing of the Napoleonic wars, and in 1817 he addressed a communication to the Committee appointed to consider the working of the Poor Law, in which he pointed out that the distress was caused because machines were supplanting men, and because the increase in productive capacity was being turned into a means of making men more subordinate to wealth. The communication also contained the first hints of the Utopian settlements, built from the idea stuff of Owen's mind, in which social relationships were to be adjusted as though a new social organisation could be built up by kindly men as children build castles with wooden bricks. These experiments were destined to failure by the laws of historical growth.

But if Louis Blanc in France united Socialist theories with democratic politics, Robert Owen in England united them with political social experiments like factory laws, democratic education, co-operation, Trade Unionism, and brought the absolute theories of economic Socialism into touch with the

evolutionary processes in English industrial life. His method, not the many mistakes he made in applying his method, remained to determine the course of our industrial movement.

Liberalism

Meanwhile, political evolution was proceeding apace. The struggle for political liberty, begun by the middle class and reaching the end of its first stage in 1832, had awakened the working class to the fact that political power is the arm of social progress. The law-maker is the sovereign. The Chartist movement had beaten the foundations of the existing order like a mighty storm; it had died away, but the disturbance it had created remained to agitate the waters of democracy. Futile as a storm, it had given rise to agitating currents which in time were to wear away old political foundations. Part of the people were enfranchised in 1868. Society was impregnated with democracy; aristocracy and plutocracy existed only on condition that they made peace with the democracy; they became modified in order to enable them to make that peace; they faced the task of "squaring up" democracy by feasts, Primrose League dances, social programmes, Imperialist escapades.

At the same time, the vital forces of a demo-

cratic society made themselves manifest. Factory Acts, sanitary laws, expanding markets, enormous increases in the volume of production removed for a generation the critical nature of poverty. Poverty lost its revolutionary power. Owenism, failing in its Utopian aspects, led democratic effort by chance into a wide field of voluntary ameliorative experiment which withdrew it for a time from more revolutionary broodings. The difference between the classes became the reason for political rather than for economic and industrial conflict. Thus the Liberal epoch went by. The Socialist pioneers were forgotten. They ceased to influence our economists. Mill did not think it worth his while to know them, believing that when he referred to Fourier and Saint-Simon, he was dealing with everything and everybody of importance to Socialism.

But the stream of Socialist evolution had never been altogether absorbed in the sands of the Liberal epoch. A section of the working class had never been Liberal, because Liberal stood in its eyes for the triumph of the capitalist employer, or for the destruction of inter-class personal relationships which marked the old order at its best, or for some other aspect of the dominance of wealth over everything else. This section grew more numerous as Liberalism developed. The success of the "squaring up" process coupled with these more rational feelings,

organised anti-Liberal political forces until most of the great industrial centres had either gone over to the other side or were tending in that direction. This tendency was rather anti-Liberal than pro-Conservative. It was negative rather than positive. It was no indication that the English workers were reactionary, but that they had no confidence in the Party that stood for progress.

Parallel with this political drift was one of humanism and sentiment. Christian Socialism raised its emphatic protest against the crucifixion of humanity on many a factory town Calvary; the literary and artistic humanists, of whom Carlyle and Ruskin were the chief, proclaimed that there is no wealth except the life which commercialism was sacrificing. Moreover, on the left fringe of the Liberal Party were camps more hostile to the Whig centre than to Toryism itself. There were Democratic Associations, Land Leagues, Republican groups, Home Rule Committees, and similar things; and when through the "seventies" and "eighties" Liberalism capitulated to the Whigs and made itself responsible for such excursions from Radicalism as the bombardment of Alexandria and Irish coercion, these sections of the Left were brought to the point of secession.

Socialism

Meanwhile Socialism as a definite theory had been revived. The political epoch with its Trade Unionism and Co-operation, and its Liberal Labourism had starved Socialism as a thickly leaved tree kills all vegetation beneath it. But the life of the tree was not to be eternal, and the leaves began to thin. Socialism had gone to the Continent, where a livelier imagination, a keener interest in purely intellectual topics, more despotic and rigid forms of government, and a greater proneness to resort to revolutionary methods owing to the political unsettlement of the nations, gave it an opportunity to grow which it had not here.

The violent efforts of 1848 exhausted for a time the vitality of this Socialist movement, and, in addition, its revolutionary programme and expectations received a stunning shock. Perfunctory associations formed round Weitling's doctrines, and Cabet's *Voyage in Icaria* had multitudes of disciples. But the movement as a definite propagandist organisation had to wait for the three remarkable Germans whose names will ever be associated with the fortunes of Socialism—Lassalle, Marx and Engels. They were of middle-class origin, and the first two were Jews.

Lassalle (1825–1864)

Lassalle led off. German Liberalism, in the constitutional struggle with the Monarchy which began in 1861, was weak. Lassalle revived the democratic feelings of '48, and in his *Working Men's Programme* energetically contended for the establishment of a social democracy as the next phase in the evolution of Germany. This brought him into conflict with the authorities, and this again made him the hero of the people. In 1863, he addressed to the working men of Leipzig the *Open Letter* which started the definite working-class movement as an independent factor in politics aiming at economic adjustment by political means, and which categorically laid down the Iron Law of Wages as an explanation of human destitution. The Universal German Working Men's Association was formed, and it agitated for universal suffrage as a means to Socialist ends. A miraculous upstirring ensued. Lassalle declared that the enthusiasm with which he was met was like that which accompanies the founding of new religions. But Lassalle had not the temperament to enable him to take advantage of his opportunities. His intelligence began the Social Democratic movement; his temperament bedecked his career with tawdry tinsel and led him to his fatal duel.

Marx (1818–1883)

All this time, Marx, if not with greater insight or a more brilliant imagination, certainly with a sounder judgment and a more scientific intellect, was writing, studying, and agitating from London, where he had gone in 1849. Marx made Socialism scientific by approaching it in a scientific attitude of mind.

The working classes of Europe drew together again, and in 1864 the international movement was reorganised, the International Association of Working Men founded, and the *Communist Manifesto*, which had been issued in 1847 but had lain dormant during the reaction, again became the handbook of an active agitation.

The *Manifesto* opens on a high note. Communism is everywhere in Europe. The Powers, Liberal and Reactionary, are alarmed. What is this movement? Its foundation is a belief in the class struggle. "The history of all hitherto existing society is the history of class struggles." At present we are in the midst of a struggle with the bourgeoisie, which has risen to power by a successful struggle with the feudal aristocracy. To retain its power it has to exploit every market in the world, and constantly to revolutionise the instruments and modes of production. Its instrument is the organisation of

capital, its method of warfare free competition. It has no sentiment, no culture. It brings man face to face with the hard material facts of the struggle for life. But the victory of the bourgeoisie proceeds alongside the growing power of the proletariat. The small capitalist is crushed out and joins the working class; the working class herded into towns becomes conscious of its mass and power and organises itself; political and industrial collisions take place which become more and more bare class conflicts; a time is reached when part of the bourgeoisie, moved by intellectual motives, go over from their own class to that of the proletariat; and, finally, to this new class movement, becoming conscious of itself and its meaning, victory is inevitable. Being the whole nation, its triumph will not be a class triumph, however. It is the last of the class struggles.

The second section of the *Manifesto* deals with the relations between the Proletarians and the Communists. The Communists declare that the proletarian struggle is international, and that the conflict in the various nations must not be split up into sectional demands, but must be organised into a united proletarian movement. The practical proposal of the Communists is that the working classes should possess themselves of supreme political power; their theoretical proposals are not the result of idealistic

imagination, but of a study of history and of the movement of contemporary events. The Communists do not intend to abolish private property. Whose private property is supposed to be in danger? Bourgeois property is not earned. It is the accumulated result of proletarian labour. The workman does not earn property for himself; he produces capital which the bourgeoisie use for his further exploitation. Under Communism capital will not be destroyed. It will only lose its class-exploiting character. "Communism deprives no man of the power to appropriate the products of society: all that it does is to deprive him of the power to subjugate the labour of others by means of such appropriation." In scathing terms the *Manifesto* replies to the base attacks which had already begun that Communism means to destroy family life, religion, and "eternal truths" like justice, morality, freedom. This part closes with a programme demanding abolition of private property in land, a progressive income-tax, certain changes in property-holding, like the concentration of credit in the State, nationalisation of the means of transport, further extensions of State activity in production, the making of work compulsory upon all, an organisation of industry which will fuse town and country into an industrial unit, free education, the abolition of child labour.

Another section criticises the Socialist[1] movements of the time. There is "Feudal" Socialism—the Socialism of the patron; "Petty Bourgeois" Socialism—the Socialism which seeks to go back on old methods of production, and which does not admit that the economic relations of modern society must be fundamentally altered; German or "True" Socialism—the Socialism of vague humanitarian phrases which cannot be crystallised into economic doctrine; "Conservative or Bourgeois" Socialism — the social reform Socialism; "Critical-Utopian" Socialism—the Socialism of the transition, when the problem of the proletariat is understood as to its facts but not as to its communist remedy.

The *Manifesto* ends with a statement of the relations between the Communists and the other political parties. "In all these movements they bring to the front, as the leading question in each, the property question, no matter what its degree of development at the time." The final sentences ascend in a crescendo of force to that appeal which is thundered to-day from platforms all over the world, and is inscribed in every tongue on the banners of the working-class movement: "The proletarians

[1] I must again remind my readers of the distinction between Communism and Socialism which existed when the *Manifesto* was published. See p. 29.

have nothing to lose but their chains. They have a world to win. Workers of all countries unite!"

Engels tells us that after the Commune and the other changes which took place in the last thirty years of the nineteenth century, Marx felt that the *Manifesto* should be redrafted. But that was never done, and the original document still remains as the most prominent landmark in the history of the political labour movement.

The "International" was a premature birth. Vigorous national Socialist parties had first to be created. This was done in the last three decades of the nineteenth century, and in 1889 it was again revived. Congresses at which representatives from all parts of the world have attended, have been held in Paris (1889 and 1900), in Brussels (1891), in Zurich (1893), in London (1896), in Amsterdam (1904), and in Stuttgart (1907).

Great Britain—Recent Developments

But I must return to the British movement.

A nucleus of Socialists always remained through the generation of Liberalism—a few Chartists, a few Owenites, a few exiles from foreign countries. In addition to that, one section of the Socialist creed, Land Nationalisation in some form or other, had always had the support of a reputable number of British public men, and the denial of an ultimate

and incontrovertible right to ownership of the soil had always been an axiom with British publicists. George's *Progress and Poverty* came in 1881 as a revolutionary force. It familiarised people with the idea of common use of property, of common creation of values, of common claims to share in aggregate wealth. It led them to discuss the problem of poverty, not as the result of personal shortcoming, but as an aspect of a certain form of social organisation.

By this time the problem of poverty and the share of the worker in the produce of his wealth had again come to the surface of public concern. We were prepared to take up the thread of the Socialist controversy at the point where Thompson, Hodgskin, and Bray left it. The expedient of Nationalisation as applied to land suggested the expedient of Nationalisation as applied to other things. Chapters from Marx were published and read as sequels to *Progress and Poverty*. There were unemployed agitations and controversies. The historical Industrial Remuneration Conference met in London in 1885 and received much attention, and whilst this marshalling of the forces making for a new birth in British politics was going on, a Socialist organisation had been formed in 1884 under the title of the Social Democratic Federation; Christian Socialism lifted up its head again and gave life to the

Guild of St. Matthew, which had been started in 1876 as a democratic Church society; whilst in 1884 the Fabian Society was founded for propaganda purposes.

By this time, criticism of existing conditions could be supplemented by an adequate theory of reconstruction. The democratic franchise had given rise to a positive theory of the State. The voluntary communities of Owenism had become the national and the civic communities. The whole people, willing and acting through town councils, Parliament, administrative departments, were to control the means of production, were to establish a machinery of distribution which would not result in giving an unjust share of the national wealth to rent and interest. I must emphasise this change in political thought which took place between the time of Owen and the founding of the Social Democratic Federation, and which was the result of the work of the Liberal epoch, because it alone made it possible for Socialism to advance beyond its Utopian stage. The experiences and the conception of the State which enabled it to take the place of the voluntary associations to which the pioneer Socialists were always driven, is of major importance in the history of the evolution of Socialism.

But even then that evolution in Great Britain was not complete. The organisations created thus far failed to penetrate into the mass of the British

workers. The foreign outlook, phrases and criticisms of the Social Democratic Federation never quite fitted themselves into British conditions; whilst the Fabian Society, much more successful in adapting Socialism to British evolution, never succeeded in applying it to the movements of contemporary politics, and never faced the problem of how to organise the masses so that they might be available for the advancement of Socialist legislation.

The great Trade Union movement had been neglected. Then it held a unique position, for it was to be found in no other country. It was class-conscious with a vengeance. It was organised to protect the wage-earner from the capitalist. It was separated into trade sections — engineers, cotton operatives, miners, etc.—and that was its great weakness whenever it attempted to formulate a national policy. It had its annual Congress which discussed politics and passed resolutions relating to the working class as a whole. But the Congress only passed resolutions to lay them at the feet of Cabinet Ministers. It was Liberal and its leaders were Liberal, whilst some of the ablest of the younger Trade Unionists were Socialists. None of the existing Socialist organisations appeared to be competent to handle this situation, and until it was handled, Socialism had to remain obscurantist, academic, foreign, critical, and impotent in England.

This last chapter in the preliminaries to the placing of the Socialist movement on a national foundation in this country, consists of a series of interesting events, all of which deserve detailed study. Local Labour Parties arose in industrial centres like Bradford and Manchester; the London Dock Strike gave rise to the new Unionism; at the Trade Union Congresses between Dundee in 1889 and Norwich in 1894, a small handful of men challenged the rule of the Liberal officials; during the Congress at Glasgow in 1892, a private conference was held, and this resulted in the formation of the Independent Labour Party at Bradford in the following year.

With the formation of the Independent Labour Party, Socialism in Great Britain entered upon a new phase. Continental shibboleths and phrases were discarded. The propaganda became British. The history which it used, the modes of thought which it adopted, the political methods which it pursued, the allies which it sought for, were all determined by British conditions. One thing in particular did the new Party see—in fact, it was created to see this thing. Socialism as a political force and as a creative agency in Great Britain would remain feeble until it gained the confidence and the co-operation of the industrial organisation of the workers. The struggle between the old school and

the new in Congress calmed down, but it took place every year. At Cardiff, in 1895, the old school fired its last effective shot when it altered the constitution of Congress so that only paid officials and those actually working at their trades could be recognised as delegates. The shot did not take effect. In 1899, at Plymouth, the new school won decisively, and a resolution was passed instructing the Parliamentary Committee to convene a conference, to which the Socialist organisations were to be invited, to consider if the various sections of the working-class and Socialist movements could co-operate for political purposes and create some organisation to that end. The Conference met in the Memorial Hall, London, on the 27th February 1900. One hundred and seventeen delegates were present representing sixty-seven Trade Unions, seven representing the Independent Labour Party, four the Social Democratic Federation, one the Fabian Society. A private consultation between the leaders of the various sections had taken place some days before, at which an agreement had been arrived at, and this agreement, somewhat weakened by the Parliamentary Committee of the Trade Union Congress, became the agenda of the Conference. The result was the formation of the Labour Representation Committee. Before the Committee had been properly formed, the elections of 1900 were

sprung upon it, but the first test of its strength came when, in 1906, it ran fifty candidates for Parliament and returned thirty. That year its name was changed to the Labour Party.

When I come to deal with the approach to the Socialist State I shall discuss the relations between the Socialist organisations and the Labour Party a little more fully, but in order to complete this rapid survey of the growth of Socialism in this country, I need only indicate how these movements are now related to each other, and the following table enables readers to see this relationship at a glance :

LABOUR PARTY			
Trade Unions	Independent Labour Party	Fabian Society	Social Democratic Federation
SOCIALISM			

This is how the Socialist and Labour forces are marshalled to-day for their further advance.

CHAPTER III

THE INDUSTRIAL ARGUMENT

Economists tell us that wealth is produced by the co-operation of three primary factors—land, labour, and capital. Sometimes it is denied that capital is a primary factor because it is merely the stored results of past labour; sometimes it is said, with Adam Smith, that labour is the source of all wealth because without labour both capital and land are inert and dead.

We need not quarrel about these technical points, provided we know what we mean when we use the words.

Socialism, however, has become most intimately attached to the proposition of Adam Smith, which, coming through Ricardo, was made the foundation of Socialist economics by Marx, that labour is the source of all wealth and the basis of value; and Socialist economic aims have become identified with the demand that the worker has a right to the whole produce of labour.[1]

[1] "The produce of labour constitutes the natural recompense or wages of labour."—*Wealth of Nations*, i. 8. "It is the comparative

A criticism of these economic dogmas is generally held to be a reply to Socialism. But this is a mistake. The Ricardo-Marx economics can be knocked on the head at any time, and Socialism would not suffer in the least. These dogmas are explanations of Socialism, not its foundations. Their discredit would no more destroy the rationality of the Socialist structure than the discrediting of a biological working hypothesis like evolution would destroy biological science.

Production and Distribution

An accurate economic definition of the creation of values does not, in my opinion, assign them to labour solely without so greatly stretching the meaning of labour as to do serious violence to the ordinary use of language. Capital is an invaluable tool in the hands of labour, and the efficiency of labour varies directly with the efficiency of the organisation of capital. Labour's quarrel with capitalism is not in the sphere of production but in that of distribution. Moreover, an accurate theory of distribution would not assign to labour the whole value of its production, because there are certain communal charges upon national wealth which

quantity of commodities which labour will produce that determines their past or present relative values."—*Principles of Political Economy and Taxation*, chap. i.

must be met if the civic and political conditions of labour's well-being are to be maintained.[1]

Capitalism has been created to develop the machinery of production, and it has done its work very well. A hundred years ago our national annual income was £270,000,000; to-day it is £1,700,000,000. The desire for profits has led the industrial nations—which for this purpose pride themselves in applying the term "civilised" to themselves exclusively—to enter into relationships with the most remote and obscure corners of the earth. They have covered the world with a network of lines of communication. They have turned the globe into one great market. Exchange, hampered here and there by artificial barriers raised by nationalism expressing itself as economic policy, proceeds between the most primitive of peoples little removed from the brutes and the most cultured and advanced. The Manchester cotton prince relies on the Boxer for part of his income, and the Boxer becomes a revolutionary because the profits he pays

[1] It may be argued, and I do argue so, that the values taken by the community in the shape of rates and taxes should be levied so that they are those values created by the community as a whole. The Socialist theory of taxation and rating is based upon the assumption, somewhat inconsistent with earlier Socialist economics, that value is created otherwise than by labour. The "total produce of labour" is thus less than the total national production of value. But if these socially created values were not sufficient to meet the costs of government, claims would legitimately lie against individual incomes.

to Lancashire enable and necessitate the building of railways in China. Further, in order to keep up an uninterrupted exchange between Lancashire and China, Uganda must be made a cotton-growing country, and the Southern States of America be deprived of their monopoly in cotton cultivation. The romance of Capitalism is quite as marvellous as any tale of the Crusades, quite as gorgeous as any of the Arabian Nights, quite as magnificent in its demonstration of the power of human will as any story of the great conquering epochs of the world's history.

But eventually the triumph of production will be judged by the equity of distribution. The Lancashire cotton operative spins and weaves, not that railways may be built in China, but that his cupboard may be full, his back clothed, and his head sheltered under a decent house. And if you tell him that in these respects he is better off than his grandfather—far better off—he will reply to the effect that he himself and not his grandfather is his standard of content and measure of discontent, and that he knows nothing about his grandfather's comforts or discomforts but a great deal about his own; or, if he goes a little deeper in searching for a reply, he will say that the relationship which is the motive force in his life is not that between his grandfather and himself, but between himself as he

is and himself as he desires to be. The future is not created by contemplating the achievements of yesterday, but by contemplating the promises of to-morrow. The potential of progress is derived not from the past that has been, but from the future that is still to be. Therefore, Capitalism will not be judged by this generation according to what it has done as an agent in production, but according to what it is doing as an agent in distribution.

Capitalism, described from the point of view of distribution, presents a spectacle almost as extraordinary as it does from that of production. Under it, land, capital, and labour, the three essentials to production, have been separated in their immediate interests, and upon them have been created three classes which divide the national product between them, not on any basis of equity, or of the value of the services they respectively render, but in accordance with the economic power they possess under any given circumstances. At one time—a rising market—labour can exact its demands from capital, at another—a falling market—capital can exact its demands from labour; and the only meaning attached to the identity of the interests of both is, that capital occasionally discovers that starved labour is inefficient labour, and that labour occasionally experiences that capitalist losses mean a diminished demand for labour. Meanwhile, the

land interest manages to prey upon both, and rising rents in towns, equally with rural depopulation and depression in agricultural values, show the triumph of the landed classes.[1] These three factors, therefore, instead of being co-operative are antagonistic and agree to work together only after settling, like footpads, what their individual shares are to be.

Thus we get our land passing from the control of those who use it and becoming vested in those who abuse it for their own pleasure. It is controlled so as to suit the wishes and convenience of the landlords rather than the wishes and convenience of the whole of the community. We have, for instance, landlords like the Sutherlands burning their tenants' houses about their heads when it was convenient to put estates under sheep farms, and then, when circumstances have changed, asking the town dwellers to submit to a dearer loaf in order to repopulate the places made waste by sheep farms and deer forests. Landlordism has meant everywhere a depopulated country and overcrowded towns, or, as an alternative, artificially high rents paid for from the high prices which a fiscal policy allows the landed interest to impose upon food.

[1] Therefore, although private ownership in land as a matter of historical fact appears in the capitalist period, it is not economically essential to it. Its persistence is owing to the fact that capitalism trembles to challenge the right and utility of any kind of property. Capitalism defends all property in order to preserve its own.

The Organisation of Production

Nor has Capitalism, in its own sphere, ever given the least hope that it was creating an organisation which would equitably distribute wealth. It has two stages in its development: the first when it is subject to free internal competition; the second when it is controlled either by regular Trusts or by widely spread agreements which reduce competition to a minimum.

The first stage was antecedent to the universal world market and to persistent international competition on that market. During it, there were many opportunities presented to labour to become economically independent, because local industry for a local market was still important in national economy, and there was also a close personal touch between employer and employed. Production and exchange had not become so organised as to have ceased to be personal. Competition between producers was, on the whole, carried on on terms of equality because capitalist machinery was not much developed, and for this same reason the workman was still a craftsman and could produce the articles of his trade in all their parts. The distribution which followed on that state of things was tolerable, but it could not last. It was only a beginning.

The second stage is marked by the organisation

of production on a large scale. Village needs are supplied from factories hundred of miles away. Local habits and styles disappear and conform to general habits and styles. The Joint-Stock Company takes the place of personal undertakings, industries amalgamate, a corporation grows until it covers the main transactions in a given trade, it comes to agreements with its rivals, it acquires interests in businesses which either supply it with raw materials or sell its finished products, until at length it is not an industry but an economic group of industries controlled by one capitalist combination.

This process may be illustrated in the development of a few of our great iron and steel working businesses. I may instance the firm of the Bells, the famous ironmasters.[1] The firm was established in 1844, and began with furnaces and coal and iron mines and limestone quarries. In 1873, it became a private limited liability company, and in 1899 its shares were put upon the market. In 1898, it started new steel works, and Dorman, Long, & Co. took half of the new shares then issued. This firm also had a history. Started in 1876, it became a limited liability company in 1889. In 1879, it assimilated a rival firm, the Britannia Works; in

[1] For the particulars given, I am indebted to that laborious study in Trusts and Combinations, *The Trust Movement in British Industry*, by Henry W. Macrosty, and to it I refer those who wish to study the matter more fully.

1899, it swallowed up the sheet works of Messrs. Jones Bros., and the wire works of the Bedson Wire Co. In 1902, the interests of the Bell and the Dorman, Long firms were more closely united by a rearrangement of capital holdings. To strengthen the position of the firm, the North-Eastern Steel Co., manufacturing a different kind of product, was acquired in 1903, the latter company explaining to its shareholders that the amalgamation was largely owing to the fact that the Dorman and the Bell firms were in a superior position owing to their possessing mines and quarries of coal and iron. The original Bell capital was only a few thousand pounds; the capital of the amalgamated firms now stands at £3,059,594.

The evolution of the firm of Sir W. G. Armstrong, Whitworth, & Co. is an even more interesting study. The original firm gained a name as makers of ordnance. In 1882, it amalgamated with shipbuilders; in 1897, with engineers; in 1899, with locomotive and marine engineers; in 1906, with torpedo makers. The capital manipulated is now £5,710,000.

Equally interesting is the evolution of firms like John Brown & Co. of Sheffield. This firm originally made steel rails and armour plates. In 1870, it bought coal mines and ore fields and erected furnaces. In 1899, it assimilated the Clydebank

Engineering and Shipbuilding Co., with an enormous annual output of ships, battleships, marine engines. In 1902, it acquired seven-eighths of the shares of a rival Sheffield firm. The capital is now £2,200,000.

The United States Census of 1905 enables one to see at a glance the general effect of such movements. According to that Census, out of 216,262 factories in the United States, 162,000, or 75 per cent., were owned by individuals separately or in partnership, and 51,000, or 23 per cent., by corporations; but whereas the 75 per cent. worked a capital of only $2,150,000,000, the 23 per cent. worked a capital of $10,510,000,000, or 83 per cent. of the capital shown to be invested in industrial concerns in the country. 1,600,000 wage-earners were employed by the former, 3,800,000 by the latter.

Germany tells the same tale.[1] In 1886, there were 1337 Joint-Stock Companies with 1,904,000 Marks capital; in 1896, there were 2307, and their capital was 3,512,000 Marks. Many of these in the latter year were federated for competitive purposes. In 1882, 123 businesses employed over 1000 persons each; by 1895 there were 248 such businesses.

These instances make the movement of amalgamation and co-ordination clear. Separate industrial processes that are interdependent tend to be

[1] Howard's *Industrial Progress of Germany*, pp. 70 *et passim*.

amalgamated. Labour is obedient to the law of subdivision; capital to the law of concentration.

Industrial organisation obeys a law of economy. When capital has to be supplied by a class that takes no further part in production, that class becomes a burden upon the community, and the vitality of the community bends itself to get rid of that class. When an organism is bearing useless organs, or organs which do their work badly, its vitality tries to effect economies, because the condition of its existence is that it can work economically. Hence these industrial phenomena which I have been describing. Hence also the Socialist movement.[1]

The Organisation of Distribution

Under this system, distribution becomes markedly inequitable. The good and worthy man rising to success is now almost an old wife's tale. As the economic machine becomes more and more perfect and the personal relationship in it disappears, con-

[1] During the summer of 1905, James T. Hill, the American railroad magnate, wrote to the *New York Herald* pointing out how inefficiently the natural wealth of America was being used. The *New York Times*, commenting upon Mr. Hill's statement, said: "It is perfectly true, as Mr. Hill says, that 'what is needed the country over is a great awakening, a sort of revival in its business methods, in domestic and foreign trade.' We want to rid ourselves of 'the hampering influences.'" That is just what Socialists say. A study of "the hampering influences" is an introduction to Socialism.

siderations of personal worth are of less importance in success, and the law of the survival of the most adaptable selects men specialised as economic machines for the control of industries. This change must be apparent to everybody. The value placed upon bare riches rises rather than falls in spite of our education and our culture, and the pressure which vast economic interests now bring to bear upon every outlet of public life from the House of Commons to the Church of God increases. The economic machine gets more important; its drivers get more powerful and wield greater influence; social classes become stereotyped.[1] Capital swells in volume every year. Sometimes it is so easily available—either because there is plenty of it or because there is not much demand for it—that it is cheap; sometimes it is dear. But in spite of fluctuations it mounts up upon the back of labour. There is hardly a public company in the country that has been anything like successful at one time or another of its life, but is carrying a load of capital which is too heavy for it. Its stock has either been watered or has been bought at premium rates on the market, and it has now to provide profits for capital which it never spent and never put to any use.

[1] That a few men pass from one class to another is no disproof of this statement. The classes remain, and they change less as a whole than they did before our present vast accumulations of wealth.

Thus the aggregate of profits rises in every prosperous country, and so does the aggregate of rent. Wages of management and labour may also increase, but part of their increase is purely nominal, and substantial improvements, amounting to any considerable portion of that extra reward of labour which is available owing to new machinery and the more efficient organisation of labour and of markets, are made impossible owing to the industrial mechanism which allows unearned increments in rent to pass into private pockets, and the advantages of industrial improvements to be capitalised and sold on the market, and thus be burdened by the weight of exploiting investments.[1]

Thus it came about that the portion of the national income which went in rents in 1890 was about £230,000,000, whilst it amounted to £290,000,000 in 1900; the portion which went in interest (not including wages of managing capitalists) in 1890 was about £280,000,000, whilst in 1900 it was about £360,000,000; whilst that paid in wages in 1890 was about £530,000,000 for 13,500,000

[1] On page 96 of *Riches and Poverty*, Mr. Money gives a table of gas companies, showing the difference between the real and the market value of shares. From this table it appears that, for instance, the Harrogate Gas Company has to pay interest on £340 for every £100 capital it has used. The chapter in which this appears is well worth studying in connection with my argument.

workers, and in 1904, £690,000,000 was handed over to 15,000,000 workers.[1]

The further proposition that distribution is, on the whole, regulated by merit, and is as good as possible for the purpose of keeping the machine of production and exchange going, is little removed from the ridiculous. Who will seriously state that the enormous wealth of the ground landlords of London is due to their merits or value? Who will say that the great mining landlords of the north-east of England, of Yorkshire, of the Midlands, have "earned" in any way whatever their huge incomes from mining rents? And yet the system of land-lordism which enables both of these classes to flourish at the expense of the community, is one of the great determining factors in how wealth once created is to be distributed. Quite apart from landlordism, the organisation of capitalism determines the method of distribution. Some services are absurdly overpaid, others as absurdly underpaid. The reason is that the mechanism of competition cannot be applied to a considerable part of social service. Our present economic constitution has been built up mainly to enable wealth to be created and to allow the capitalist competitors to fight each other; and this constitution

[1] These figures are taken from Fabian Pamphlet No. 5, various editions. This pamphlet gives interesting information about wealth distribution, about which limited space prevents me from giving further details.

decides the shares into which national wealth is divided. We are working in a system which makes an equitable distribution impossible, and the labourer will not get his proper hire until the system is changed. Until the machinery of production is controlled by the community, the volume of production will be divided in accordance with the relative strength of the economic classes which own the elements necessary to production, and the distribution secured by such an arrangement will never materially alter from the present position when, out of an annual income of £1,170,000,000, 1,250,000 rich persons own £585,000,000, 3,750,000 comfortably-off persons own £245,000,000, and 38,000,000 poor persons own £880,000,000.[1]

Labour and Industrial Organisation

Statistics of material distribution only reflect many other forms of inequality. The organisation of capitalist production could only have proceeded by subdividing to the minutest degree the process done by any one man in complete productive operations. The striking figures published in 1898 in a report on *Hand and Machine Labour* by the Labour Department at Washington, have already been much quoted, and I need only illustrate my point by citing one industry here. I take that of watchmaking.

[1] *Riches and Poverty*, by Chiozza Money.

In 1862, watch movements were made by hand; in 1896, they were made by machinery, and a comparison has been made between those two years. It was found that to produce a certain watch in 1862, 347 operations were required; in 1896, 881. The 347 operations were done by 13 persons, most of whom were styled watchmakers, and could do practically every process needed; the 881 operations were done by a somewhat indefinite number of men and women—very much greater than 13—most of whom were called "machine hands" or "bench hands," but apparently only two small sections, still working by hand, called themselves watchmakers. None of these could make a watch.

The effect of this is to make labour more subordinate to the capitalist machine of production. The amount of practically unskilled labour is increased as skill goes into the machinery used, whilst on the top grades the demand for skill is perhaps greater than ever. The industrial population is thus divided by a deep gap, the lower having little training for the skill required at the top. This threatens society with serious consequences. Labour tends to be divided into two grades diametrically opposed in quality, and yet the recruiting for the higher grade ought to be done in the lower—unless we are to again create a class economically more subject than any class of hewers of wood and drawers of water

ever has been. Production organised for individual profit actually flourishes for a time on the very conditions which create the unskilled workman, the casual labourer, the improvident jack-of-all-trades, the unemployed and unemployable. The stream of labour under the old apprenticeship and craftsman era was from below upwards—apprentice, journeyman, foreman, master; now, it is right across, the youth being put to some mechanical process which leads to nothing else, and when he asks for more wages, or when more skill is required of him, he is passed out on to the street and has to pick up a new job, which, in the nature of things, will have little relation to his earlier employment.

The upward stream is maintained in a somewhat enfeebled way by technical schools and colleges, and as these are always liable to become preserves of the well-to-do, or are opened only to the children of the poor who at an early age, before their inclinations and tastes are really fixed, can pass competitive examinations, this method of supplying the higher branches of industry will tend to stereotype industrial classes and to supply an anæmic management for our industrial organisation.[1] The individuality, the

[1] "Here (America) men enter business in a subordinate position with the hope of learning it with their daily duties, and they expect to be promoted according to the cleverness and ability with which they learn the business. In Germany, a man could not hope to rise to the higher administrative positions unless he received special

energy, the concentration of attention, which was secured under the first stage of industrial organisation must become enfeebled under the second. The first stage could not be made permanent because it was subject to a law of growth, and, therefore, one of the most pressing problems of the second stage is how to maintain its organisation and yet preserve skill and initiative amongst the workers throughout. The feeble and querulous complaints against "ca' canny" policies, against the thumb-like skill, against the industrial habits of the workers made by middle-class critics of our present industrial state, are hopeful, inasmuch as they indicate that by and by with more information and a good deal more reflection, these critics may grasp the real nature of the problem revealed by one or two surface manifestations about which they are uttering wails of class prejudice and ignorance.[1]

If society suffers by the subordination of skill to individual profit, the workman is put in a still more parlous position. The man who is only a workman in one department of a factory is exceedingly helpless. He builds his house on an alarmingly narrow basis. He is bound to a place almost as rigidly as though

training therefor, in most cases training in a school outside the business itself. . . . Consequently we have in Germany a special class of schools for each grade of worker."—Howard's *Industrial Progress of Germany*, p. 98.

[1] Cf. Professor Flinders Petrie's *Janus in Modern Life.*

Parliament had enacted a new Law of Settlement. Under the machine production of boots and shoes, for instance, a man is not a shoemaker and is quite useless away from his machine. Outside Leicester, or Northampton, or Norwich, he is an unskilled labourer. He cannot bring himself into direct touch with the consumer as his grandfathers did when they were shoemakers. This means a serious limitation of liberty, a serious increase of precariousness. It means that the difference between unemployed and unemployable is very narrow, because it makes a man's ability to earn a living depend upon his being able to fit himself into such a limited and definite set of circumstances; it means that when a man can no longer work in a factory, he can hardly work at all. The machine of production brought to perfection under individualism involves a serious limitation on a man's freedom and chances of being able always to earn a livelihood. Individualistic production needs as a supplement charity, pauperism, public relief works, old age pensions, assistance to keep family life in existence. The individual, under it, not being allowed to provide for himself, claims assistance from others, and suffers the moral degradation which accompanies such assistance. Family life deteriorates, family instincts—paternal affection, the art of housewifery — disappear. Industrial exigencies disintegrate all spiritual social organisation.

And the possession of wealth forms no defence against this disintegration. The people do not suffer because they are poor; all men are subject to the same disease—the blight of profit-making and of commercialism on life. Thus industrial perfection in production involves the deterioration of human qualities.

In summary, the effect of our present development of industry is to organise capital and create interests which threaten to dominate our political and civic existence by putting the life of the State under the control of a few commercial syndicates;[1] to subordinate human interests to capitalist profit which, to an increasing extent, can be made off a deteriorating people, and which, as it must be made at once, cannot afford to take long views and subordinate immediate and apparent gains to permanent and real ones; to create a machinery of production which does not secure equitable distribution; to give rise to ethical demands which it cannot satisfy, and hence to compass its own destruction.

[1] This pure evolution of capitalism has not been manifested so much here as in America, mainly because we have a social history which mingles with and colours the pure industrial stream of tendency. But we must be watchful even here. Mr. Macrosty in his work on Trusts quotes from the *Economist* of the 12th August 1899: "It is undeniable that during the session just ended, there has been an atmosphere of money in the lobby and precincts of the House of Commons, scarcely known before. All manner of interests have gathered there as they gather in Washington and in the various State Legislatures of America."

Socialism and Production

Lest, however, it should be assumed that the emphasis which Socialists place upon distribution as the final test of whether an industrial system is or is not satisfactory, indicates that they neglect the conditions of effective production, I must point out that under Socialism the efficiency of production developed by capitalism will not only be preserved but improved. Mechanical invention will be encouraged and utilised to the utmost. To-day we observe a feeling of resentment on the part of labour against machinery, but that is due to the undeniable fact that every readjustment of industry caused by discoveries of more efficient means of production involves suffering to the workers, displacement of labour, further exploitation. This may not be the case when the whole of society is taken into account, but at the points affected it is the case, and the workman, just like the capitalist, takes short views. The failure of the present system is that under it, it is difficult for either capitalists or workmen to see that the well-being of the whole involves the well-being of every individual. Under Socialism, however, all that will be changed. More efficient production will then mean more efficient distribution. The man in the workshop will not be an economic alien to the owner of the machines with which he

works, and, consequently, machinery which to-day is labour-substituting will then be in reality what it is now only nominally, labour-saving.

Moreover, the present system is both wasteful from a business point of view and unjust from an ethical point of view. The Trust and syndicate develop largely owing to the necessity of securing economy in working. That this is so is somewhat obscured as yet by the fact that so many Trusts have been promoted by speculating capitalists. But it is notorious that the Steel Corporation found it most economical to close down plants. The Whisky Trust closed sixty-eight out of eighty distilleries, and then kept up production to its old level. Mr. Edgerton[1] quotes with approval the opinion of an expert that "there is nail machinery enough in this country [America] to produce four times as many nails as can be sold." Professor J. W. Jenks,[2] reporting on an inquiry made by the United States Government, says under the heading of "Closing of Plants": "Seventeen of the combinations reported that some of the plants that had been taken into the organisation have been closed. . . . The proportion of the capacity of the plants closed to the total manufacturing capacity of the combinations has varied

[1] *Trusts, Tools, and Corporations.* Edited by Professor Ripley, p. 70.

[2] *Bulletin of the Department of Labour*, 1900, p. 674, etc.

from 1 per cent. to as high as 25 per cent." It is true that this closing process goes on without Trust organisation, but it is by bankruptcy and ruin —surely the very worst of all methods.

But these organisations can go much farther in these directions than has hitherto been the case, and, meanwhile, a recital of such facts makes it evident that fabulous waste is involved every year in carrying on competition in those industries which have not been organised into Trusts, and in the anarchistic method of distribution which fills whole streets with rival shops and warehouses and keeps bankruptcy officials busy. If everything that is said in praise of competition were true it would be dearly bought.

The figures of bankruptcies alone are most eloquent. The Inland Revenue benefits every year by about £50,000 for stamps issued in connection with industrial wreckage;[1] £110,000 is spent in paying salaries to officers, and £22,000 goes for remuneration to County Court Registrars. The losses to creditors by settlement under the Bankruptcy Acts each year on the average in England and Wales alone, since 1900, have been £5,000,000, and under deeds of arrangement £2,800,000. This is, of course, not all economic loss, as part of these sums represent the cost of

[1] *Accounts of Bankruptcy*, Parliamentary Paper 130, 1907.

experiments in industrial methods—costs, however, which ought not to be borne by individual but by national income. The lack of any attempt to estimate what needs are, and to regulate the use of productive power accordingly, not only means terrible extravagance in manufacture, but unsettlement in industry, because it leads to overproduction, to glutted markets, to loss of capital, to unemployment, and contributes to those psychological panics, when the public will risk nothing and invest nothing, which cause financial and commercial crises. The individualistic, anarchistic, happy-go-lucky, devil-take-the-hindmost way in which production is conducted and markets scrambled for to-day, is a negation of law and order, and a cynical challenge to the human intelligence to charm chaos into cosmos.

The apologists of this disorder find consolation in telling us that it enables the consumer to pick out what he likes, to award those who please him and send into bankruptcy those who cannot gauge public needs. This, of course, is mainly fancy with a tinge of truth in it. A man who genuinely tries to manufacture soap bubbles will come to grief, but if he can do a little swindle at the same time by lying advertisements or judicious manipulation on the Stock Exchange, he will be able to purchase a peerage.

On the other hand, there is little margin

for variation on the ordinary markets. The arts employed in the production of clothing, for example, —the texture, colours, make-up,—are now not the subject of "trade secrets." They are common possessions. The artistic taste and the scientific skill are developed and moulded by schools, colleges, technical classes, art galleries, craft exhibitions. The individualistic exploitation of a happy idea is, therefore, not only less justifiable as a matter of economic equity than it used to be, but it is also less necessary as a reward encouraging others to show initiative and inventiveness.

When we carefully consider the reasons why this waste of competition is tolerated, why a great standing army of travellers, advertising agents, bill-posters, printers are maintained at an enormous charge upon national income, and expense upon national consumption, involving terrible waste of service that otherwise would be available for other purposes, we see that it is necessary simply because the law of competition is in the main that one man's business must be built up at the cost of another man's business. The volume and the quality of consumption are not increased thereby; the apportionment of trade and profits between individual competitors is the main thing affected. But all this army is a dead weight upon the producing community. A writer has estimated that in 1890

between 50 and 60 per cent. of the total production of the United States was dissipated in maintaining this competition between individual businesses.[1]

When we consider the great savings in the cost of production which will be effected by Socialist organisation,—the elimination of the useless classes, the absorption of sections which are necessary only as armies in the wars of commercialist competition, the diversion of wealth which now only maintains individual luxury into channels which will maintain State efficiency,—we can see how far from the truth is the fear that under Socialism it will be impossible for us to carry on foreign trade, or that a Socialist State could be wiped out of existence by an industrial competitor. In fact, in foreign trade, a Socialist State would be paramount because it would have carried farthest the Law of Economy. We can also understand how mistaken is the argument that Socialism will require Protection to preserve itself. These and similar views are held only by those who have not made themselves familiar with the Socialist organisation of industry. If the further consideration, that under Socialism the captains of industry will be managers, seems to point to inefficiency, it must not be forgotten that the best of them and those bearing the greatest responsibilities are only managers now.

[1] Reeve's *Cost of Competition*, p. 283.

The rise of the Trusts necessitates some modification of the above criticisms. For the Trust reduces waste and is also always striving to estimate demand so that it may thereby regulate production. When the Trust becomes more of a legitimate business concern than it is as yet, it will do more in these directions. But the solution of these problems by Trust only creates further difficulties. A committee of directors, responsible, not to the community whose interest is the main thing involved in their transactions, but to the owners of the capital which they are using, must always threaten to become a public menace. They hold the gateway to life. They are like the occupants of the ancient castles on the Rhine. Their conduct depends upon the question: Will pillage or law and order pay us better? Now the sociologist and politician will say: "Law and order," and they are right. But the peculiarity of the business method is that it must have profits now—maximum profits; it cannot take long views; it is feverish, not cool; its ends are not sociological values which show themselves in a generation, but ledger balances which are struck twice a year. Its answer would be that of the barons—pillage—though not too much pillage.

Further, it must be noted that this development in industrial control assigns to capital a new

position. It creates a pure form of capitalism[1] —a special class taking no part in production, and having no responsibilities in industry. Interest thus becomes sharply divided from profits in the ordinary sense and also from wages of management. It becomes nothing more than income derived from the loan of capital required by a class which has no capital, or by a social function—production—which is as yet depending on a specialised class of investors for the sustenance of capital which the community itself ought to have the means of supplying. We are thus creating a capitalist class as different from the old employing classes which received the title of "captains of industry" as the modern factory hand is different from the old craftsman.

Here we reach the bedrock of our criticism. Trade and commerce tend more and more to become widely organised functions and to depart from being a series of independent transactions carried on by separate capitalists. The exercise of this function of trade should be conducive to communal ends or it may prey upon the communal life, as the appetites may prey upon the general health of the body, or as the landlords by depopulating the soil have preyed upon the national life. When trade and commerce

[1] Criticisms upon capitalism must not be confused, as some opponents of Socialism are always doing, with criticisms on capital. Capital, capitalist, capitalism are three absolutely distinct things. The Socialist objects to capitalism.

become organised functions, their communal and sociological purpose must be definitely set up and guarded by making the control of the function communal and sociological, a control which can never be supplied by capitalism. As the supply of gas, of water, of trams, of milk that is milk, has been shown by experience to be most safely placed in the hands of the community, so will it be found that the community will be forced to control and manage other supplies beginning with monopolies, Trusts, and prime necessities for communal life.

This development is natural and necessary. It is an attempt to bring order out of chaos, reason out of chance. It is progress. Production under competition for the personal profit of the individual master responsible for his own capital, is a state of unstable equilibrium. It is youth ; it is not fully developed manhood. Production ever tends to be an organised function of the State, carried on not as a personal matter but by salaried managers responsible, not for their own capital, but for capital provided from many sources. Thus the Joint-Stock Company and the Trusts are not the final forms of production. They are the first stage of impersonal production. They appear contemporaneously with municipalisation. They are far removed from Socialism, but they are still farther from the individual capitalist employer, and they have

developed in the direction of Socialism. They are not a modification of the old one-man business; they are a fundamental change in it. When Adam Smith wrote of Joint-Stock Companies, his vision was limited by his experience, and we are in the same position to-day in relation to the public control of industry as he was in 1790 as regards the practicability of Joint-Stock enterprise. He said Banks only can be controlled as Joint-Stock affairs; we say gas and water only can be controlled by public officials.

To-day we stand on that indefinite territory where the old is cast off and the new is put on. Capitalism evolves upwards to organic harmony, not downwards towards revolution. If, politically, the first duty of a State is to preserve itself, so economically, the first duty of a people is to protect the mechanism of industry by which their economic powers to consume are secured. So soon as production is organised upon a Trust basis and becomes a social function, it becomes more and more a pressing need that the organisation should be controlled by the people and be part of the communal life of the people, just like national education, government, and so on. The nationalisation of production is just as necessary to democracy—and just as inevitable if democracy is to mature into fulness—as the nationalisation of the sovereign authority by the

suppression of the personal right of kings to rule. We must look upon production as a national function, and not as a task assigned to a class of separate individuals pursuing their own ends.

This is the case for Socialism. It is the stage after capitalism; it is capitalism ripened into a higher form of trade organisation; it is the organisation which includes distribution as well as production within its scope, and which reconciles individual with national prosperity. It is the Law of Economy moulding industrial forms, creating the Trust from competitive industry, and extending the economy of the Trust until it is merged into the greater economy of Socialism.

CHAPTER IV

SOME OBJECTIONS TO SOCIALISM

It would be both useless and fruitless for me to try and even refer to the objections which have been taken from time to time to Socialism. That the Socialist is a thief, a scoundrel, and so on, is still believed by a few unenlightened persons, and they will possibly continue to believe the libel. The people who believe these things may be awkward customers at elections, but it is not given to them to decide the great lines of national advance. Again, that Socialism is anarchism, that it means an equal sharing out, that it is to be a paradise for the lazy loafers, and similar notions, are so far removed from Socialist theories as to make any discussion of them useless. Socialism is a rational criticism of present-day society, co-ordinating and systematising the tendencies of the day; its theories have been built up and sifted by some of the most acute intellects of the past centuries, and have been pondered over by some of the purest spirits of these times. The

Socialist requires to apologise neither for his companions nor for his ideals.

But some objections taken to Socialism by fair-minded inquirers may be considered, because their discussion will enable us to understand more clearly what Socialism is.

Socialism and Liberty

One of the most common errors in the Socialist controversy is to assume that Socialism and Individualism are two opposing systems of thought—that, indeed, in modern sociology and politics, they are *the* opposing systems. The assumption of the anti-Socialist is that he is the champion of individual liberty, and, unfortunately, the Socialist in his eagerness to give battle has been too willing to accept the language of his opponents, and the antithesis, Socialism *v.* Individualism, remains in circulation amongst current phraseology, and continues to mislead the unwary as to the real nature of the controversy.

As a matter of fact, it is not individualism that is at stake at all, but a particular method of expressing individualism. Is private ownership of land and industrial capital necessary in order that men may enjoy individual freedom and feel to the fullest extent the power of their individuality? Are the needs of individuality to be satisfied only by acquisitions which belong to one's own self,—by ownership

as well as use,—or by use only? These are the questions that are involved in the controversy. What is individualism? would express most accurately the challenge which Socialists throw out.

In the third chapter of this book I have dealt with this question to some extent. I have shown that the necessary evolution of industrial structure has tended to subordinate the individual to the economic machine of which he is a part, and to rob him of his freedom of movement by taking from him his opportunities to become a craftsman. When I pointed out that a Leicester factory hand is practically an unskilled labourer—unfitted even to do navvy work—away from the machine by the help of which he performs one of the hundred or one hundred and fifty operations necessary to make a boot, I indicated a circumstance which cuts right at the root of individual liberty. Liberty must have an economic basis. Deprive it of that basis and it becomes subject to the will of other people. That basis is an opportunity of having an independent existence either by work or by the possession of the fruits of other people's work. The man who makes whole things can be master of himself; the man who makes part of one thing must be a slave to someone else.

Moreover, every workman knows that he is subject to victimisation for his opinions. He has not the right to think. His economic point of view,

his social theories, his political opinions render his life precarious.

But this, it may be said, is only an attack upon the present system, and under Socialism the tyranny would be greater still. Must we, therefore, contemplate a serious limitation of individual liberty under Socialism?

It might appear, at first sight, as though experience had settled the whole question. From time to time, experiments of a communist nature have been tried ranging in their completeness from Tolstoyan settlements in which everything was held in common, to Australian land legislation which barely offended the so-called individualist, but which sought to establish a system of peasant leaseholders under State ownership of land. The Tolstoy communities were ridiculous failures, the Australian leaseholders agitated to become freeholders—and thus it may appear that the Socialist conception of individualism has been proved to be unpractical.

The facts, however, deserve a little further consideration. The boy who enters the water to learn to swim goes over the head often and has several unpleasant experiences before he hits upon the proper stroke or becomes accustomed to the new medium. So it is when society and men adopt new methods of activity. They cannot claim a

success until they have had some practice in the habits of the new activity.

Now, so far as New Harmonies, New Australias, or Purley Settlements are concerned, the Socialist has made it quite clear that, in his opinion, they can prove nothing. Society has become so complex in its relationships and the machinery of exchange has become so vast, that these little settlements can have no influence on the ponderous organisation outside; the life in these organisations is so contrary to what is going on in the world, and their virtues are so akin to the vices of the barbarian, that their failure is a practical certainty from their beginning. The method of social change is not the establishment of ideal communities that may lie in the midst of capitalist society like oases in a barren desert, but the gradual readjustment of social classes and functions so that in the end society will consist of people co-operating by service to create a wealth and well-being which will be adequately shared by every producer.

Hence it is that even if communist communities were more successful than they are—and they have not always been so great failures as they are made out to be—the Socialist would not lay much stress upon their success, because they would not help him very much in his task of altering the industrial and economic organisation of society.

As regards the more practical experiments in land nationalisation, which have been partially carried on in some parts of Australia, and which are threatened with a wholesale transformation into freehold properties, one can only regret the change. The complete success of the leasehold system, however, in reclaiming lands that were fit only for sheep before, and in creating the most peaceful and prosperous homes that the world knows, puts an end for ever to the plea that so long as the State retains the land and only lets it on lease, so long will cultivation be perfunctory.

Indeed, these Australian experiments have demonstrated the success of land nationalisation, and though it may appear to be paradoxical, the present movement for enfranchisement only emphasises that success. The Australasian States less than twenty years ago were beginning to show all the symptoms of the disease of poverty that had stricken the older Western lands, and though the population did little more than fringe part of the coasts, and but an insignificant proportion of the acreage of the continent had been put to use, the pressure of land monopoly was beginning to be felt. The State boldly stopped it. Where it created peasant proprietors the lands were sold again and the total effect of the experiment was to multiply landlords without removing the evil of land monopoly, and

to put public money into private pockets. The success of land nationalisation and security of tenure (vitiated by the temptations left open to the tenant to agitate to become owner) was, however, established, and I predict with much confidence, that Australasian Land Legislation in the future will put this system upon a permanent basis.

Our own experiments in municipalisation, establishing common ownership along with individual use, and our codes of factory, sanitary, and public order laws, are of the same character as the Australasian land experiments. They are based upon the experience that the individual living in a community finds liberty by pursuing the path of social individualism, and that in organised society individual liberty must have a basis of economic independence. The state of society which does not put human qualities before everything else that ranks as value, limits and contorts individual liberty. Social laws imposing upon the people of a State their social obligations, amplify rather than limit individual liberty, because individual liberty is qualitative and not quantitative; and those extensions of State activity which proceed upon the assumption that the citizens co-operatively should supply their common needs only secure for the individual that economic basis in possession which is necessary if individual liberty is to be real. As the

result of a century of labour legislation and a generation of municipalisation, individual liberty is very much greater than it was previously. The nearer we approach to the Socialist State the more opportunities we shall have for the exercise of individuality. This is indeed nothing more than the application of the theory of mutual aid as a means of progress, to the science of individualism. Man's nature flourishes in an atmosphere of co-operation much better than in one of competition.

If, however, we insist upon projecting ourselves to the full Socialist State, and demand to know how, in every detail, the individual will is to be adjusted to common well-being—how, for instance, bottle-washers are to be appointed—surely it is sufficient to answer that the State will never be faced with these problems at any given time. These relationships will grow. Society is not to be changed as we change the structure of a house; it evolves as a living thing does, changing with its organs and its functions, the new forms never getting out of touch with the old.

Socialism will, however, secure certain conditions essential to freedom which the wage-earner does not now enjoy. Art will then enter much more into work than it now does, and the mechanical drudgery of production will be reduced to a minimum. Leisure will nurture individuality, and individuality

abhors machine-made surroundings and household gods made by the thousand. The higher spiritual life of freedom can be lived only when human energy and initiative are not absorbed in the production of physical things. The object of all life is more life, and here Socialism offers its help to the middle-class revolt of to-day against the barrenness of its possessions, its status, its duties. This demand for more real freedom is the reason why the Socialist ranks are being recruited so largely from the middle and wealthy intellectual classes.

Thus, it seems to me, that only under Socialism will natural inequality be no burden to men. Socialism proposes to establish no state of equality. It only proposes to adapt each organ to its natural function—to give to each man a chance of doing congenial work in the complex social life.

Again, social property in the instruments which must be used in the production of wealth will render unnecessary a great part of our coercive legislation. Factory laws will not be exactions imposed upon poor worried capitalists; they will be merely workshop rules voluntarily made. Socialists, as such, have no love for legislative control. It is necessary to correct abuse of power now; but they look forward to a time when what is now done by law will be just as natural a mode of life as are the breakfasting habits of our people.

Socialism and the Family

The idea that Socialism is opposed to the family organisation is equally absurd.

The origin and constitution of the family has been the subject of much investigation, and its secular beginning has been placed beyond dispute. It grew up with other institutions in the course of time. It depended at first on the climate, on whether fires required to be tended,—woman being the custodian of the hearth whilst men went fishing and hunting,—on food supply, on the habits of the people, on whether they were nomadic or settled, hunters or agriculturists — very little on their beliefs until ancestor worship arose,—and it was placed on the firm foundation of monogamy only when the accumulation of property led to a system of inheritance.

There, in the barest and most disappointing way, lies exposed the origin of that little community round which so much sacred sentiment has grown.

Now, when the field of sociology was being surveyed by the eager pioneers of Socialism with a view to discovering the impediments they had to overcome and the departures that had been made from reason, the family naturally attracted their attention. There had always been men, from Plato downwards, who viewed with some impatience and

jealousy the amount of attention and affection which the family drew to itself like a greedy devourer, and when they designed their ideal cities they gave men a wider companionship and communal unit than the home. This, however, was a characteristic of old Utopian Socialism before the historical sense was brought to bear upon institutions. The investigations into family origins were not the work of the Socialists but of the Scientists.

But these theories about the family no more became part of the Socialist theory than did a belief in the Mark system—which Engels used as the foundation of much of his Socialist criticism.[1]

No where and at no time was the abolition or even the weakening of the family incorporated in the Socialist creed. Indeed, much of the Socialist criticism has been directed against the debased form of the family — the loveless marriages, the cash instead of the affectionate bonds, the sale of daughters which is so prevalent in capitalist and aristocratic society. Until women are free, we cannot know what a real marriage is. The Socialist has used an ideal conception of a family as a stick with which to beat the bourgeoisie—the bourgeoisie which regards the enslavement of women as essential to marriage, and empty feminine heads and vulgarly decorated and compressed feminine bodies as necessary to

[1] Cf. F. Engels' *Socialism, Utopian and Scientific.*

family felicity. In doing so, the Socialist may have laid himself open to misconception; and those who were ruining the family life, by demanding child labour and the labour of young mothers, were able to warn society against the evil designs of those who were striving to put an end to their destructive policy.

The real fact is that capitalism has been the enemy of the family. The employment of child labour before Factory legislation, the forcing of women into factories, the reduction of men's wages until they had to be supplemented by the earnings of other members of the family, the increasing difficulties that poor people experience in bringing up a family, the selfish indulgence in pleasure which is the result of idle classes living in luxury, the immoralities which follow in the train of a wealthy plutocracy, overcrowding in towns, high rents,—in short, a whole complicated series of results of capitalism in its economic and moral aspects has been undermining the family and exposing it to destruction. No state of society has been more prodigal in its disregard of the family than that in which we are now.[1]

[1] Marx has been blamed as an advocate of this destruction, and extracts from his writings, wickedly torn from their contexts, have been published to prove it. This is an example: "The bourgeois family will vanish as a matter of course when its complement vanishes, and both will vanish with the vanishing of capital." A

To-day one of the first cares of Socialism is to protect what remains of the family and rebuild what has fallen down. In the first place, it is evident that the family cannot last except upon a firm economic basis and under healthy and moral circumstances. The economic independence of women would go far to secure their proper treatment after marriage; a substantial increase in the price of their labour would enable women to retain self-respect and release the mother from the weary double toil of factory and home; an appreciation, such as the Socialist has, of the importance of the function of motherhood would place the married woman in a position of proud independence and would not doom her, as she is now doomed, to a slavish dependence; whilst a more ample co-operation between the State, as a health authority, and the home, would increase standards of physical efficiency and with them standards of moral purity.

most terrifying sentence until it is read with its context. The sentence before it is: "On what foundation is the present bourgeois family based? On capital, on private gain. In its completely developed form this family exists only among the bourgeoisie. But this state of things finds its complement in the practical absence of the family among the proletarians and in public prostitution." Here, then, we have a charge brought against Marx and, through him, against Socialism by an extract which, with its context, is part of an argument that only under Socialism will family life become real, and that under the present state of things, to quote a later passage in the *Communist Manifesto* from which these sentences are taken, "Our bourgeois, not content with having the wives and daughters of the proletarians at their disposal, not to speak of common prostitutes, take the greatest pleasure in seducing each other's wives."

Moreover, the State, in its own interests, will do everything it can to develop individuality in its children. The barrack school and State nursery—never much more than the Utopian dreams of amiable people—are condemned by up-to-date psychologists. The personal touch and affection of the mother, the surroundings and ethics of a small community, the sense of continuity which comes to the maturing child's mind from a personal organisation like the family, are all invaluable to a State which must take as much care of its citizens of to-morrow as it does of its citizens of to-day. Further, the settling influences of family responsibilities on adults, particularly the care and interest it gives them in training the next generation—because a time comes when the parents, becoming aware that their days are running down fast, find sweet consolation in fulfilling themselves through their children—must ever be valued by a State which guards its own stability and seeks to preserve a continuity in its evolution. The family is inseparable from a complete Socialist organisation. So much so is this the case that I can imagine a time when, the marriage choice being absolutely one of free-will and the stability of family life having proved itself to be essential to the stability of State life, the Socialist State will decline to recognise divorce altogether as being too subversive to its policy.

Socialism and Religion

From what is said about Socialism and the family one naturally turns to what is said about Socialism and religion.

The occasional association of Socialist and anti-Christian propaganda is due to several causes, one of the most potent of which is, that minorities tend to herd together, although, were they majorities, they would find they had nothing in common. Moreover, the Socialist, full of the reforming zeal of his creed, finds in the ethics of the Gospels a marvellous support for his economic and political proposals, but in the churches and in the conduct of the majority of Christians, he only discovers a worldly wisdom which seems to him to be the negation of the spirit of Christ. Much of what is regarded as anti-Christian Socialist doctrine is, therefore, only an attack upon the churches and professed Christians, and, so far from being anti-Christian, is, as a matter of fact, inspired by the ethics of Christ's teaching.

But, undoubtedly, some leading Socialists have gone farther than that, and have taken the view that religion is but one of the weapons in the hands of the rich for keeping the poor quiet. This was particularly the case with the earlier leaders, and, to understand why that was so, we must remember

the conditions of their times. Their description of the functions of the Church—and to the Church they went for an interpretation of religion—was literally true. Money was voted by Parliament to build churches so as to control the propaganda of Radicals and Chartists; texts and quotations from the Prayer-Book were used to show that God created the poor and meant them to remain so; the parson was the friend of the Squire and stood for the bad existing order; the political history of the Episcopacy in modern times is a record of their blind opposition to the popular will.[1]

This experience of the ardent reformers who found religion in alliance with the world, the flesh, and the devil, coincided with a time when historical research was setting supernatural explanations of natural facts on one side, and when idealistic philosophy was being overshadowed by the scientific turn which Darwin's work was giving to pure thought. The mind of man, liberated from a wearying and cramping imprisonment, was bound to receive the enthusiastic homage of those who by force of reason were laying the foundations of new social states, and were attacking with youthful boldness the venerated but the apparently crumbling foundations of the old. But, if we are to attribute

[1] It will be remembered that Lord Melbourne cynically said that the Church in his time was the last bulwark against Christianity.

to movements all the opinions of their pioneers, the Tory Party must be held to be little better than a crowd of Deists and Atheists, because, at its origin, we find that its most distinguished supporters were men of timorous culture, like Hume, who knew too much to believe in miracles and thought themselves too wise to hold God in much fear or respect; while the Liberal Party can be nothing but a hotbed of sceptics.

These considerations are futile. Socialism has no more to do with a man's religion than it has with the colour of his hair. Socialism deals with secular things, not with ultimate beliefs. There are Christian Socialists, and there are secularist Socialists, just as there are Christian electors and secularist electors; there are Christian organisations which exist to prove that all Christians ought to be Socialists because the Socialist State is the only political form through which the ethics of the Sermon on the Mount can find expression; and there are and have been secularist leaders like Mr. Bradlaugh and Mr. Herbert Spencer who have preached the incompatibility of Secularism and Socialism. As a political and economic theory, Socialism has just as much and no more to do with religion as any other theory of the relationship between the State and the individual; whilst, as a moral theory, it is neither religious nor anti-religious.

He who bases his morals upon rational sanctions will explain the ethics of Socialism as a rationalist; he who bases his morals upon revelation and religion will explain the same ethics of Socialism as a Christian.

If we examine the personnel of the Socialist movement, we can see how absurd is the statement that Socialism and Secularism are one and the same. The majority of the local leaders of Socialism have approached it led by a religious conscience. Nonconformity has trained our speakers in its pulpits and has fashioned our devoted workers in its Sunday schools. The Church has shed not a little of the light of its countenance upon us. Above all, that remarkable Sunday Morning Movement — known as Adult Schools — which brings thousands of men out early every Sunday to worship and discuss the practical aspects of their Christian faith, has added a fine seriousness and sturdy stability to the rank and file of our organisations where the two movements exist together.

At any rate, there must be some meaning in the fact that at every great revival of Christian emotion, communist doctrines have been preached. They have sometimes been wrapped up in hideous extravagance, but the extravagances can always be separated from the sober motives. Christianity at its best has always appeared in the world with Communism at its right hand.

In short, there is nothing in the Socialist theory, nothing in the Socialist method, antagonistic to religion.

Socialism and Property

One more objection may be discussed. One view of Socialism is that it is a scheme of confiscation of property from one class to give it to another class — that Socialists are Dick Turpins made respectable by using Acts of Parliament instead of pistols.

Now the real fact is, that the Socialist has come to put an end to Dick Turpin methods. Socialism is a rational criticism of our present methods of production and distribution. It desires to say to the possessors: Show us by what title you possess; and it proposes to pass its judgments upon the axiom that whoever renders service to society should be able to have some appropriate share in the national wealth. So far from abolishing property, it desires to establish it upon the only basis which makes property secure, that of service—of creative service. It denies that all forms of private property are now expedient, because it denies that any individual or class of individuals can be possessed of rights which make it impossible for other individuals or classes of individuals to be other than propertyless. Property in men was once

regarded as something which only anarchists like Lloyd Garrison, or madmen like John Brown of Harper's Ferry, could have the impertinence to challenge.

Our experience of the capitalist epoch has influenced our ideas of property just as through the feudal epoch new ideas of property arose which corresponded to the commercial epoch which was then beginning; and the most definite change in our ideas of property which has been occasioned by our experience of the past century has been that the community as a whole creates values and is a producing agent, and, therefore, that it has a title to own property to be put to its own uses. We have experienced that landlords in Parliaments elected by themselves have stolen public rights and other kinds of property, and that, as local magnates of authority, they have gone farther in that direction than even their own Acts of Parliament sanctioned. We have experienced that they have used their property rights in order to exact heavy tolls upon labour—town land rents, mining royalties, and so on—just like mediæval Rhine barons. We have experienced that railways, run for private profit, have not served national commerce as they ought. In scores of other ways, from parcel carriage to milk supply, from the upkeep of roads to the building of warships, from education to the making of sewers, from

popular concerts to small farms, we have experienced that our ideas of private property need supplementing by ideas of communal property.

We, therefore, in this respect, turn the tables upon our critics and reply that it is they who practise and defend the Dick Turpin method of the armed man appropriating values which do not belong to him. It is we who desire to place property on a sound foundation; it is they who ask us to respect spoliation. The distribution of wealth to-day is determined largely because we recognise private property in things like land—Dick Turpin's pistol—which is profitable only because it enables its owners to despoil defenceless creators of wealth.

Socialists do not object to property; they are not opposed to private property. They are, therefore, not opposed to inheritance. The right to acquire and hold involves the right to dispose by will or by gift. We only object to such a use of property as enables classes for generation after generation to live on the proceeds of other people's labour without doing any useful service to society. Those forms of property in the use or abuse of which the community is more interested than any private individual, should be controlled by the community in order that the right of private property may become real to millions of workers. The authors of the *Communist Manifesto* jeered at the objection

taken to them on the ground that they desired to abolish private property, in these words: "You reproach us, therefore, with intending to do away with a form of property, the necessary condition for whose existence is, the non-existence of any property for the immense majority of society."

I may appropriately refer here to the consideration that during the transition to Socialism much hardship will be entailed by loss of property taken by the State. During that stage, however, there will be no confiscation. There has been no confiscation caused by the municipalisation of tramways, and though care will be taken not to repeat the financial blunders which took place when the telegraphs were acquired, there need be no fear that the other extreme will be adopted. Public opinion would never tolerate such a thing; but, quite apart from that, the community could not stand any such serious shock to its life as those contemplate who accuse us of planning great acts of confiscation.

That there will be hardships I am not concerned to deny. The classes who live upon other people's labour, and consequently keep other people poor in order that they may be rich, will experience the effects of the change to a more healthy state of affairs. But these classes will not suffer any more than they do now. They are the chief victims of Stock Exchange swindles, of commercial crises, of

the sinking of inflated values to their natural levels. It is upon them that every commercial and financial harpy preys. Twenty years of the ordinary operations of speculative finance and competitive industry cause more suffering to innocent old ladies living on investments and trustful orphans depending upon trustees, than would have to be endured during half a century spanning the gulf between the present state of things and Socialism. Moreover, as that gulf was being crossed and the intricate readjustment of society being made, the humane and protective activities of the State would be developed and the injured ones would fall upon the lap of a benevolent society and not upon the gutter, as is the case now. Finally, the suffering—such as it may be —would be the last which society would impose, and would not be, as at present, only one episode in a series of painful catastrophes which fall upon innocent people with periodic regularity.

CHAPTER V

THE POLITICAL FUTURE OF SOCIALISM

One is often met with the inquiry : How is Socialism going to be brought about? and on such occasions one is expected to produce the architectural features of the Socialist State and defend them to the most minute particular against attacks of "the practical man" who "knows that human nature will not budge an inch from where it now stands." It is as well to remember that the evolution of human conduct and motive is still in process and has not come to an end, and that what satisfies people as aims in life or rewards for effort can be greatly modified by social circumstances and education. We dogmatise about what human beings will or will not do, and about nothing are we less well equipped for dogmatising. Moreover, the question really does not arise in our Socialist problem at all, because under democratic government we can never have more Socialism at any given time than human nature will stand, and that settles the question.

If, however, we may properly decline to go into a barren discussion as to whether we must change human character before we have Socialism, we must not decline to lay down the general lines of the Socialist programme because that is the path, up to the limit of our present horizon, leading to the Socialism beyond.

Industrial Reconstruction

The Socialist objective is a State wherein labour will meet with an adequate reward and human life be valued above property. To-day, property rules life and life is bent and twisted so as to fit into the contorted ethics and other imperatives of this property-worshipping age. The Socialist believes that so long as private property in things essential to human well-being is recognised, so long will property dominate life. An essential feature of the Socialist State will, therefore, be the common ownership of all those forms of property in the use or abuse of which the whole community is more interested than private individuals, and the employment of such property for common ends and not for private profit. Where the line is to be drawn between common interest and individual interest cannot be determined by theoretical considerations of the rights of the State or of the individual, but by practical experiences of the working of Socialistic

experiments from time to time. The Socialist, however much he may be inspired by *à priori* reasoning, must always be guided by practical results. The Socialist method is a combination of theory and practice: it is the scientific experimental method.

With these considerations in mind, the principles and major items of the Socialist programme easily can be deduced.

The first task of the Socialist living in these transition times is to make the public familiar with the distinction, on the one hand, between property which enables the holders to exploit the labour of other people—property which means the impoverishment of society—and, on the other hand, property which an individual must possess in order to enable him to live and develop his individuality. Between the two extreme limits of such a classification of property, there is a graded scale with a middle zone where classification is impossible. But the extremes are perfectly clear. On the one side, there is land, the value of which is to the greatest degree dependent upon the community; on the other side, there is food, clothing, a living income. The Socialist policy regarding the first is State ownership; regarding the second it is private ownership.

Experience has shown us that the private ownership of land has led to depopulation, to the

waste of national resources, to the diversion of national wealth from public to private uses; and the same experience has proved that an essential to a constructive national policy of race building and the organisation of national wealth is the national control of its land. However complete may have been the justification for private ownership of land at a time when an impetus was required for cultivation, that justification rested upon a temporary condition, and has long ceased to exist. "The common and general utility of the exercise of the right of property," said Saint-Simon, "can vary with the times." "Landed property in England," said John Stuart Mill, "is thus very far from completely fulfilling the conditions which render its existence economically justifiable."

There can be little improvement in the use to which we put our land and little reconstructive work done in dealing with the overcrowding of towns so long as private ownership of land exists. Electric traction overcomes to a certain extent the tendency of landlordism to herd population together in towns. But every dispersive force can operate only if it makes it worth the while of the landowners to allow it to operate. By the expenditure of public money, great tracts of land adjoining our industrial centres have been brought within the limits of building areas, and suburbs have grown to increase enormously

the rent-rolls of landlords who have never lifted a little finger to benefit the communities which are presenting them with such substantial increases to their incomes.

Even in new countries like Australia and New Zealand, the curse of landlordism has already made itself felt, and the first thing which the national reformer had to do was to shatter its power.

It is, therefore, perfectly clear that public utility is no longer served but sacrificed by the private ownership of land.

Monopolies work out in the same way. In its simplest form, a monopoly consists in a service which by its nature cannot be given by competing undertakings. Rival gas or electricity or water or tram companies cannot supply towns. Electricity may compete with gas, 'buses or underground tubes may compete with trains, but the competition is in reality between two monopolies in lighting or travelling facilities, each being a monopoly in itself, and each representing a different form of convenience, and tending to reduce the competition of other forms to vanishing point. Hansoms no longer compete with four-wheeled cabs, and motor cabs will, by and by, supplant hansoms except for some special services.

The Socialist programme regarding these forms of property is that the community should own them. The nationalisation of land, the nationalisation of

railways; the municipalisation of the civic services like gas, water, electricity, trams—that is the first instalment of the programme which is to give effect to the Socialist doctrine that public property is as necessary in a modern State as private property.

Socialism and State Income

Akin to our programme of property-holding are our proposals regarding taxation. The theory of taxation held by the individualist Liberal school has remained as Adam Smith defined it. His "canons" assume that taxes are deductions from private incomes taken by the State because the State has power to take them. "Taxes," says Ricardo, "are a portion of the produce of the country placed at the disposal of the Government." John Stuart Mill refers to a just system of taxation as one which apportions "the contribution of each person towards the expenses of government, so that he shall feel neither more nor less inconvenience from his share of the payment than every other person experiences from his." Thus, the assumption that underlies the "classical" discussions on taxation is that it is a sacrifice of individual property to Government needs. And the greatest of all the statesmen who translated into political creeds the theories of the individualist economists—Mr. Gladstone—rarely touches taxation without reminding the country that the income of

the State must necessarily be derived from the income of citizens, and probably no doctrine of a past generation has been less effectually challenged than this, by a new generation thinking out its problems for itself. To-day its errors and failings are available for political use by any of those middle-class reactionary sections whose notion of the State is that it should do as little as possible beyond providing policemen to protect their property and a navy to guard their trading ships, and who are trying to get the working classes to pay more of the heavy debts of past national escapades than they now do.

The principle that each should contribute to the State revenues according to his ability is of secondary importance to the Socialist, to whom the fundamental principle of the levying of State income is that the State should secure for its own use the values that are created by the existence and activity of the State.

It is quite possible to classify incomes so that those gained solely by individual energy may be placed on one side, and those obtained by exploiting the community may be placed on the other. Incomes display a gradation of merit, not all merit on one side and all demerit on the other. In a sense, nearly all incomes made in settled society depend upon the existence of the State. But there are extremes which very properly can be classified into those

which the individual has earned and those which the community has created. Most of the rent for land, practically the whole of urban rents, are communal in their origin. Most of the dividends paid by undertakings like railways and municipal services, and particularly by most undertakings, the nominal capital of which is in excess of the capital actually absorbed in starting and developing them, should be similarly regarded. To say, for instance, that the private enterprise of railway shareholders and directors made our railways flourish, is a proposition which no one can defend seriously for a moment.

The Socialist programme, therefore, includes a method of obtaining a State revenue adequate to State requirements, by securing for the State an income from its own property. A rough classification of income according to its source, the imposition of an income-tax increasing in heaviness as the source approximates in character to rents from urban land, and all but disappearing when incomes are, for all practical purposes, solely the result of individual effort, is the Socialist programme of taxation.

This proposal must not be mixed up with that for a graduated income-tax, because it is totally different. The graduated income-tax depends upon the theory that each should pay according to his ability—a theory which has none of the constructive

value of that which provides that the State should enjoy the reward of its own efforts and be possessed of property so as to express its own personality.[1]

If the income from public property and State effort be not enough for State purposes, we must then devise the best means for levying supplementary contributions from individuals. A graduated income-tax ought then to be applied — or, better still, graduated death duties.

These are the main roads by which Socialism is to be approached, because when they have been fully traversed, property will be held in such a way that the wealth produced by labour and by all useful service will fructify throughout society, and the State will have an income sufficiently large to enable it to carry out the communal will and so make the community an efficient co-operator with the individual in establishing liberty. Nationalisation of monopolies and a system of taxation such as I outline may appear to be devoid of all the heroic remedies which one associates with Socialism, but nevertheless a political policy devised under the guidance of these aims would fundamentally alter economic relations within the State, and when

[1] It is sometimes argued, however, that a graduated income-tax means in reality a specially heavy tax upon unearned incomes. That may be so in practice, but the two principles of taxation which I discuss are quite distinct.

its full consequences would be reaped, Socialism would have come upon us.

Socialism and Reform

But society not being a mechanical relationship merely, but being united by habits, laws, customs, and interdependence of interests, the Socialist change must be gradual and must proceed in stages, just as the evolution of an organism does. Society will resist a too violent readjustment. Kings can be removed and a republic established by revolutions, but in establishing Socialism we change organic relationships, not superficial forms of government. Socialism, therefore, calls for the highest qualities of statesmanship, for that rare faculty of knowing how much change can be assimilated at any given time, how drastically one can readjust without producing reaction. Also the Parliamentary work of Socialism must be supplemented by educational propaganda, the chief aim of which is to induce the intellectual portions of the community to adopt new modes of sociological thought. The present organisation of society will be impossible, not when it has actually crumbled beneath the weight of its bankruptcy, but when its absurdity, its injustice, its waste are clearly shown up against another system of organisation which has been proved to be rational and moral both in idea and experience.

As we approach the Socialist State by the changes in property-holding and in finance which I have indicated, certain things will happen. The weight of economic and social parasitism now preying upon the industrial State will be lightened, prices of commodities will fall, the volume of exchange will swell, and the average standard of life will be materially improved. The industrial efficiency of the country will be vastly increased.

But the saving which will arise from the destruction of parasitism and Dick Turpinism must be fairly distributed. Some of it will, of course, go to cheapen commodities, and this will at once improve the standard of living at home and increase our efficiency as competitors on foreign markets. But that will not absorb the whole advantage. Both a reduction in working hours and an increase in wages will be possible. Sweating will disappear. Women's cheaply paid labour will no longer compete with men's. Industry will be steadied and unemployment as we now know it will cease. The road to the Socialist State will be opened up.

In the meanwhile, a vast network of evils and evil tendencies has to be unravelled. We do not build on vacant ground. We have inherited the failures of the past—the slum, the sweating den, the starved child, the drunkard, the neglectful parent, the ignorant and dehumanised citizen, the pauper young

and old, the unemployable, the unemployed. In dealing with these problems which press us with such troublesome insistence and which crowd so closely upon us as to shut out the way ahead, lies our greatest danger. It is so easy to agitate for a palliative, to stump for things which do nothing but harm, and to gain a reputation for human sympathy by flitting from agitation to agitation without troubling to think systematically of the future. Wandering aimlessly in the wilderness is a delightful pastime, and leading a crowd from oasis to oasis gives a man, for the time being, the reputation of being a great leader. If the advance to Socialism is to be retarded as this country grows older, it will be because at the beginning the Socialists made themselves responsible for legislation which was merely palliative, which touched the surface only, and which became assimilated by the old order and gave it a new lease of life—for instance, tinkering with the rates of nominal wages, or playing with fanciful democratic toys like the Referendum. It is perfectly certain that everything which is not in some way a carrying out of the principles of Socialism will have to be undone—or those principles are false. The idea that a lax administration of the Poor Law is Socialistic, that putting an unemployed man on a farm for six weeks at the public expense is Socialistic, that feeding school children is the beginning of the Socialistic

State, is absurd. We can deal with our unemployed, our sweated workers, our derelicts, only by attacking the causes of unemployment, of sweating, of human deterioration, and though, at a crisis, our humanitarianism will compel us to resort to palliatives and give temporary relief, our action at such times should not be a willing and proud thing, but one which is hesitating and temporary.

Socialism has also a great part to play immediately in international politics. It alone can banish national jealousies from the Foreign Offices; it alone offers the guarantees of peace which are a necessary preliminary to disarmament. And in addition to that it is formulating a policy defining the relationships between the white and the yellow races, between the civilised and the backward, which offers some promise of averting what would otherwise be the almost inevitable conflict between East and West, and also of preserving the existence of races that seem otherwise to be doomed to disappear from the face of the earth. Socialism has a world policy as well as a national one—a corollary to its belief in the brotherhood of man.

Socialism in Politics

A final word regarding the political relations of Socialism is necessary. Where Parliamentary Government—as in Germany—is only a name, a

Socialist Party can exist separately and distinct from other parties ; and as under this form of government politics are more theoretical than under a democracy, the existence of such a Party is still easier.[1]

Under a democratic Parliamentary Government, however, it is practically impossible to maintain a pure and simple Socialist Party—although Government by Parliamentary groups makes this easier. Even then, as we see in France and Australia, the Socialist Party will have on occasions to co-operate in a *bloc* either refusing or accepting the responsibility of office.[2]

In Great Britain at present, political parties are in confusion, but the lines of division between two great parties are emerging. The mass of the people are prepared to accept the new doctrines not as absolute ideas, as the fully-fledged Socialists do, but as guiding principles in experimental legislation. That is what the rise of the Labour Party means—that is all that it ever need mean, because that is how society develops from stage to stage of its existence.

[1] It must be pointed out, however, that even under the political conditions of Germany the rise to power of a Trade Union organisation is compelling the Socialist movement to modify its old position and approximate to that of the British movement, *e.g.*, the Labour Party.

[2] At the International Socialist Congress at Amsterdam in 1904, it was emphatically laid down and accepted by all the Socialist leaders, that in times of national crisis this should be done. No attempt was made, however, to define a national crisis.

The Manchester school was never more than a tiny nucleus in the political life of the nineteenth century, but it supplied progressive ideas to that century and consequently led it. Nineteenth-century politics without Manchesterism would be a body without a brain. So in the twentieth century, Socialism, which will be infinitely more powerful than Manchesterism was in the nineteenth, will probably fulfil itself by being the creative centre of a much more powerful political movement. This is the position of the Labour Party at present.

The voting strength of this movement will come from the ranks of labour—the organised intelligent workers—the men who have had municipal and Trade Union experience—the men of self-respect who know the capacity of the people. These men will feel the oppression of the present time, its injustice, its heartlessness. They know their own leaders and have confidence in them. Their concern is that of the man who gives service and who sees his reward disappear like water through a sieve. They are to be the constructive agents of the next stage in our industrial evolution. But they are not to stand alone. Socialism is no class movement. Socialism is a movement of opinion, not an organisation of status. It is not the rule of the working class; it is the organisation of the community. Therefore, to my mind, one of the most significant facts of the

times is the conversion of the intellectual middle class to Socialism. Those who think that the middle class is to organise against Socialism are to discover that they are profoundly mistaken. To put it on the lowest ground, only part of the interests of the middle class is opposed to Socialism, and against that must be placed the intellectual attractiveness of the Socialist theory. In determining political effort an active intelligence and an awakened idealism are always more powerful than personal interests. To quote the *Communist Manifesto* once more: "Just as, therefore, at an earlier period, a section of the nobility went over to the bourgeoisie, so now a portion of the bourgeoisie goes over to the proletariat, and in particular a portion of the bourgeois ideologists, who have raised themselves to the level of comprehending theoretically the historical movement as a whole."

In the ninth book of *The Republic* Plato discusses the wise man as citizen. "He will look at the city which is within him, and take heed that no disorder will occur in it such as might arise from superfluity or want; and upon this principle he will regulate his property and gain and spend according to his means." "Then, if that is his motive," remarks Glaucon, "he will not be a statesman." "By the dog of Egypt, he will," ejaculated Socrates."

So long as Plato's reading of the human heart remains true, men will take up their abode in the city "which exists in idea," and rich and poor alike will labour for the establishment of the State where life alone will be valued as treasure, and the tyranny of the economic machine will no longer hold spiritual things in subjection. That State I call Socialism.

APPENDIX

THE progress of Socialism can best be seen in the results of the electoral contests which have taken place in the leading industrial nations of the world, and the following tables show this at a glance :—

GERMANY

1867	.	30,000	votes,	8	Members of Parliament.
1878	.	437,158	,,	9	,, ,,
1887	.	763,123	,,	11	,, ,,
1890	.	1,427,298	,,	35	,, ,,
1893	.	1,876,738	,,	44	,, ,,
1896	.	2,107,076	,,	57	,, ,,
1903	.	3,010,472	,,	81	,, ,,
1907	.	3,258,968	,,	43	,, ,,

FRANCE

1887	.	47,000	votes,	19	Members of Parliament.
1889	.	120,000	,,	9	,, ,,
1893	.	440,000	,,	49	,, ,,
1898	.	790,000	,,	50	,, ,,
1902	.	805,000	,,	48	,, ,,
1906	.	896,000	,,	52	,, ,,

BELGIUM

1894	.	320,000	votes,	32	Members of Parliament.
1900	.	344,000	,,	33	,, ,,
1902	.	467,000	,,	34	,, ,,
1904	.	463,967	,,	28	,, ,,
1906	.	469,094	,,	30	,, ,,

ITALY

1892	26,000	votes,	6	Members of Parliament.
1895	76,000	„	10	„ „
1897	135,000	„	16	„ „
1900	175,000	„	32	„ „
1904	320,000	„	28	„ „

AUSTRIA-HUNGARY

1897	750,000	votes,	–	Members of Parliament.
1901	780,000	„	10	„ „
1907	1,041,948	„	87	„ „

THE UNITED STATES

The votes polled by Socialist candidates are impossible to get with any accuracy, but the following figures are published by the International Socialist Bureau :—

1888	2,068	votes.	1897	55,550	votes.
1892	21,512	„	1898	82,204	„
1894	30,120	„	1900	98,424	„
1895	34,869	„	1902	223,903	„
1896	36,275	„	1904	500,000	„

GREAT BRITAIN

1895	46,000	votes,	0	Members of Parliament.
1900[1]	65,000	„	2	„ „
1906[1]	335,000	„	30	„ „

[1] This is the vote of the Labour Party candidates, not all of whom were Socialists.

The International Socialist Bureau estimates the total Socialist vote of the world as follows :—

1867	. . . .	30,000 votes.
1877	. . . .	494,304 „
1887	. . . .	931,454 „
1897	. . . .	3,896,602 „
1900	. . . .	4,874,740 „
1901	. . . .	4,912,740 „
1902	. . . .	5,253,054 „
1903	. . . .	6,285,374 „
1904	. . . .	6,686,000 „

Printed by
MORRISON & GIBB LIMITED
Edinburgh

Social Problems Series

[illegible] aiming at treating current questions of social interest [illegible] in a clear and popular manner, but also in the light of present-day principles, present-day facts, and, above all, present-day needs.

The volumes are, in every case, entrusted to writers who have made a special and detailed study of the themes with which they are severally to deal, and the library as a whole will constitute an authoritative record of acquiring a competent knowledge of those problems which it is at present the duty of every citizen to study and to solve.

The Children. By Professor ADAM SEDGWICK, M.A., Edinburgh University.

Housing of the Working Classes. By Rev. M. KAUFMAN, M.A., Author of "Socialism and Modern Thought."

Trade Unionism. By C. BRAI, M.P., Secretary Amalgamated Society of Railway Servants' Association, London.

Land Values and Taxation. By EDWIN ADAM, M.A., LL.B.

Woman Suffrage. By ARNOLD HARRIS MATHEW.

The Citizen and his Duties. By W. F. TROTTER, M.A., LL.M., Lecturer on Law in the University of Sheffield.

Socialism. By J. RAMSAY MACDONALD, M.P.

The Liquor Question, including Licensing. By ARTHUR SHERWELL, Joint Author of the "Temperance Problem and Social Reform."

Charity Organisation. By C. S. LOCH, B.A., Tooke Professor of Economic Science, King's College, London, and Secretary Charity Organisation Society.

Allotments and Labour Colonies. By EDWARD MCGLYNN, Assistant Editor of the *Standard Bearer*.

The Problem of the Unemployed. By C. H. GRINLING.

Clubs for Working Classes. By Rev. C. ROTHERAM-RAMSAY, M.A., Secretary Christian Social Union.

Large Crown 8vo, stiff paper covers, 1s. net.

LONDON: T. C. & E. C. JACK, 16 HENRIETTA STREET, W.C.;
AND EDINBURGH.